

and begin to rear families and contribute to the economy's output and demand.

But the experts do not believe that success will come easily or automatically.

Further, two statistics in the manpower report indicate that the economy will have to run faster and faster just to stay even.

Research and development expenditures rose from slightly over \$5 billion in 1953-54 to \$14,750 million in 1961-62. The impact of this so far has not been reflected by a rise in the rate at which output per man-hour is increasing, but it is inconceivable to the experts that it will not be soon.

Secondly, even without any rise in the rate at which productivity is increasing, the real output of the private economy in this country grew 59 percent between 1947 and 1961 with an increase in total man-hours of just 3 percent. The fact that private employment increased by 10 percent in this period was due to the very large rise in the number of part-time workers.

In the first place, the economy's performance at creating jobs has been lackluster in recent years. The slowdown has been centered in the private sector. This, between 1947 and 1957, grew at a rate of 700,000 jobs a year. But between 1957 and 1962 the gain was 175,000 annually.

Growth in the public sector—mostly State and local government—has absorbed some on this slack. Total civilian Government employment has been rising in the post-war period at a rate more than two and a half times that of total nonfarm employment. State and local governments have been creating 285,000 jobs a year on the average since 1957, compared with 185,000 before then.

#### MORE IDLENESS FEARED

But the experts estimate that if the economy does not begin to grow faster, unemployment which now is about 4,500,000 will grow by 1967 to beyond 5,500,000, or more than 7 percent of the labor force.

If the challenge is large in the aggregate, it gets even bigger when looked at up close.

Technological change is demanding an ever higher level of skill. An underlying shift in employment from goods-producing to service-producing industries is leaving many stranded. Drastic shifts in demand, depletion of natural resources or relocation of industries have left large groups of persons and sizable areas in the backwash of the general prosperity.

Thus, unemployment last year among unskilled nonfarm laborers was 12 percent—higher than any other occupational group. Semiskilled workers had a jobless rate of 8 percent; the skilled, 5 percent, and professional people, 2 percent.

The jobless rate among construction workers ran 12 percent and among manufacturing employees, 5.8 percent. In the service industries, it was 4.3 percent and in public administration, just under 2 percent.

Negroes, often deprived of training as well as job opportunities by discrimination, have an unemployment rate of twice the national average.

#### SKILLS NEEDED

Unemployment among teenage boys, many of whom had not finished high school, was more than twice as high as the average rate last year. And although older workers are not as often out of work as their juniors, they have a much harder time finding a job when they are.

West Virginia, hard hit by the decline of coal mining, had a jobless rate of 10.9 percent last year. Pennsylvania, with the mining and steel industries both contributing to joblessness, had a rate of 7.9 percent.

To meet the unemployment challenge, the administration has proposed a \$10,300,000,000 tax cut to stimulate the economy and create jobs.

#### ADJOURNMENT UNTIL MONDAY

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 26 minutes p.m.) the Senate adjourned until Monday, June 17, 1963, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate, June 13, 1963:

The following-named cadet, graduating class of 1963, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3284 and 4353.

Pope, Derwin B.

### HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 13, 1963

The House met at 12 o'clock noon.

The Very Reverend Charles E. Diviney, V.F., St. Charles Borromeo, Brooklyn, N.Y., offered the following prayer:

Bless, O Lord, these distinguished Representatives of our people. Today they are faced with awesome problems and burdened by heavy responsibilities. Their concerns—local, international, and interplanetary—include the threat of war abroad, seething unrest at home, and the mysteries of space exploration and control.

Grant them the wisdom to recognize the need for divine guidance in a world whose dimensions seem to be outstripping the range of human reason.

Make them great souled enough to rise above appeals to self-interest; courageous enough to resist the pressures of frantic emotion and uncontrolled passion; prudent enough to direct all their thoughts and actions toward the common good.

Finally, give them the insight to understand that in our human condition and with the urgency of our times, God needs men. Therefore, if they continue to be devoted to duty, dedicated to their ideals—with Your help they cannot fail. Amen.

#### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

#### SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 15, 1963:

H.R. 199. An act to amend title 38 of the United States Code to provide additional compensation for veterans having the serv-

ice-connected disability of deafness of both ears;

H.R. 211. An act to amend title 38, United States Code, to provide increases in rates of dependency and indemnity compensation payable to children and parents of deceased veterans; and

H.R. 214. An act to amend title 38 of the United States Code to provide additional compensation for veterans suffering the loss or loss of use of both vocal cords, with resulting complete aphonia.

On May 17, 1963:

H.R. 5517. An act making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes.

On May 20, 1963:

H.R. 4997. An act to extend the feed grain program.

On May 23, 1963:

H.R. 2440. An act to authorize appropriations during fiscal year 1964 for procurement, research, development, test, and evaluation of aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes; and

H.R. 2842. An act to amend section 3238 of title 18, United States Code.

On May 29, 1963:

H.R. 6009. An act to provide, for the periods ending June 30, 1963, and August 31, 1963, temporary increases in the public debt limit set forth in section 21 of the Second Liberty Bond Act;

H.R. 2053. An act to provide for the temporary suspension of the duty on corkboard insulation; and

H.R. 4655. An act to amend title IX of the Social Security Act with respect to the amount authorized to be made available to the States out of the employment security administration account for certain administrative expenses, to reduce the rate of the Federal unemployment tax for the calendar year 1963, and for other purposes.

On June 4, 1963:

H.R. 5389. An act to repeal certain legislation relating to the purchase of silver, and for other purposes.

#### SUBCOMMITTEE ON MINES AND MINING

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### SUBCOMMITTEE NO. 4 OF HOUSE SMALL BUSINESS COMMITTEE

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 4 of the House Small Business Committee be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LIMITATIONS ON MEMBERS OF CONGRESS

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, there seems to have been some misunderstanding about some of the objections that I have made to unanimous-consent requests. I want to call attention to the various limitations that are placed upon Members of Congress; in their salaries, in their trips home, in travel expense, in the number of clerks that may be employed, in the clerks' salaries, in the amount allowed for telegraph and telephone expenses, stationery allowance, stamp allowance, number of free envelopes, and the limitation on space in the RECORD, which may not be exceeded except by unanimous consent.

We are limited in almost every activity except in the amount that we may incur in the printing of the RECORD.

It might be news to some—even the Member involved—to know that one Member of this House in the period between January 9 and June 12, 1963, made 192 insertions in the Appendix of the daily RECORD, and 23 extensions of extraneous matter in the body of the RECORD, which measured 4,130 inches or the equivalent of 153 pages. The Public Printer estimates the cost of printing the RECORD at \$90 a page. The cost of the extensions of one Member therefore cost the taxpayers \$13,770 in a little more than 5 months. I leave it up to my colleagues whether or not this is an abuse which would warrant some kind of limitation. This particular Member does not top the crop in his expenditures, for last session he was not at the head of his class, and there were several close contenders whose extensions cost the taxpayers far more than their salaries.

I have been going over this and analyzing it for some time, and some of the Members I have talked to have been rather surprised when I said that the extension of extraneous remarks by some Members in the last session exceeded their total salary. At \$90 a page, I think if we were to try to curtail some of this we would bring about a saving which would be in the neighborhood of \$1 million a year. I am hopeful we can arrive at some limitation on the insertions both in the body and Appendix of the daily RECORD.

#### CIVIL RIGHTS

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the President's speech on civil rights is a bitter pill for the South and for much of the Nation to swallow. While his proposal has not been spelled out in bill form, it is certain that any civil rights bill of far-reaching nature will have rough sledding in the Congress. There is a growing feeling that the whole picture of civil rights is being overplayed and that undue emphasis is being placed on it. Un-

fortunately, a wave of hysteria fanned by sensational news stories is sweeping the Nation. Much harm has been done to the cause of race relations and it is regrettable that the President has taken his present action without calm and deliberate discussion and evaluation with leaders at all levels.

American morale at home and prestige abroad and, in fact, the whole cause for democracy, has suffered. Voluntary cooperation between the races will accomplish much more than legislation or force. This is clear from what has happened in Birmingham and elsewhere.

#### MEDICAL EXPENSES SHOULD BE EXCLUDED FROM OUTSIDE EARNINGS OF SOCIAL SECURITY RECIPIENTS

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, today I have introduced a bill to provide that the amount of an individual's medical, dental, and related expenses shall be subtracted from his outside earnings before determining the reduction of any social security benefits because of such outside earnings.

Under existing law, if a social security recipient earns over \$1,200 of annual earnings, his benefits are decreased. There is no allowance for medical expenses in computing outside earnings.

We all know that medical expenses constitute a very large part of the budget of our senior citizens. Medical expenses in many instances wipe out both outside earnings and benefits for persons on social security. Heavy medical expenses result in depriving many senior citizens of the support originally intended by the passage of social security.

Since medical expenses are involuntary, it is unlikely that anyone would be able to take unfair advantage of this proposal.

Mr. Speaker, this bill is no solution to the tremendous problem of medical care for the elderly, who have one-half the income and more than twice the medical bills of the rest of the population. I am a strong supporter of medical care for the elderly through the social security system, and I have signed the discharge petition to bring the King-Anderson bill to the floor of the House for a vote.

However, this bill would encourage our senior citizens, who constitute an invaluable national asset, to continue to contribute to our society. Passage of the amendment would help the elderly meet medical expenses which now may wipe out income from social security.

I urge early consideration of the bill.

#### ACCELERATED PUBLIC WORKS PROGRAM

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, on February 4, 1963, I introduced H.R. 3311, to authorize an additional \$900 million to finance the accelerated public works program through the fiscal year 1964.

Yesterday the House in its wisdom, or lack of it, voted against certain strengthening amendments and increased authorizations for the Area Redevelopment Administration. The effect of yesterday's vote is to place a critical burden on those communities with a high percentage of unemployment. To stimulate employment in these areas, we cannot depend on military and space expenditures. I have pointed out in recent weeks the way in which certain States like West Virginia have been shortchanged in military installations and space contracts.

Therefore, I believe it is even more vital that the accelerated public works program be extended. This program has already brought vast benefits to areas with high unemployment, and the investment in permanent public improvements will pay rich dividends.

Mr. Speaker, in view of yesterday's action by the House, unless we take this action to extend the accelerated public works authorization, the entire economy might be dragged down by the critical unemployment situation in certain areas.

#### REQUEST FOR EXTENSION OF REMARKS

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; one on water pollution and one on equal pay.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

Mr. JONES of Missouri. Mr. Speaker, I am constrained to object, except for one instance.

Mrs. SULLIVAN. Mr. Speaker, I modify my request and ask unanimous consent to extend my remarks in the Appendix of the daily RECORD today and also on Monday next.

Mr. JONES of Missouri. Mr. Speaker, I am constrained to object to that. I have made it clear that I think such requests should be made on the day the extension is to be made.

The SPEAKER. Objection is heard. Does the gentlewoman from Missouri seek further recognition?

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the daily RECORD and include a very short item on equal pay.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

#### NASA AND THE MOON

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.



The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, I am distressed by the arguments that have been generated over the National Aeronautics and Space Administration program to land an American on the moon.

Surely the critics of this program do not wish our country to be left behind in the space race?

For military reasons alone it is imperative that the Soviet Union not be permitted to gain this valuable advantage over us. A base for military purposes on the surface of the moon would, if it were controlled by an unfriendly power, hold a veto power over our Nation's strike force capability.

Rockets and other missiles could be launched from the moon to strike any part of the territory of the United States. It would be tremendously difficult for us to combat such a threat and for these reasons alone the NASA program should be pushed forward with all possible speed.

A moon base under our control, on the other hand, would give us this vital military and psychological advantage and, with our other defense capabilities, it would strengthen the hand of the free world forces in the struggle for peace.

I am bewildered by General Eisenhower's remarks recently on the subject. It is plain that General Eisenhower has never really understood the concepts of the nuclear-rocket age. The blow to our prestige by the launching of the first Soviet sputnik has still not been fully repaired, despite the great strides we have made in recent years.

In the battle for men's minds that we find ourselves engaged in it is vitally important that we show the world we have the skill and know-how to justify our leadership position.

When Columbus left the Old World in 1492 in search of new lands it was fashionable in certain quarters to criticize the expense and purpose of his voyage into the unknown. I think we can safely say that his journey was well justified and that the expense has been repaid many times over.

In our own day and age, brave men are still exploring uncharted oceans. I have no doubt that these journeys, too, will be well justified and that once again in time the expense will be repaid many times over.

I suggest we study history a little more fully to prepare ourselves for the future. I regret that General Eisenhower will be pictured to our great grandchildren in future textbooks as being shortsighted and narrowminded.

We can be thankful that our space program in recent years has been under the control of President Kennedy and the able administrators of NASA. They have been doing well and our Nation can be assured America will take first place in the space race.

#### REQUEST TO ADDRESS THE HOUSE

Mr. REID of New York. Mr. Speaker, I ask unanimous consent to address the

House for 1 minute and to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, will the gentleman indicate what the extraneous matter is and the extent of it, please?

Mr. REID of New York. It consists of two brief newspaper articles in this morning's New York Herald Tribune.

Mr. JONES of Missouri. Mr. Speaker, I would object to that because I feel these newspaper articles should be inserted in the Appendix of the daily RECORD and not clutter up the body of the RECORD.

Mr. Speaker, I object.

#### THE LATE MEDGAR W. EVERS

Mr. REID of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REID of New York. Mr. Speaker, I believe the entire Nation is deeply concerned and shocked over the dastardly shot in the back that occurred in Jackson, Miss., with the murder of Medgar W. Evers, the NAACP field secretary.

Mr. Speaker, Rev. Dr. Martin Luther King in New York yesterday referred to a conversation that he had with Mr. Evers late Tuesday. Dr. King quoted Mr. Evers' last words to him: "We're going on. We're determined to carry on until the problem is solved."

Mr. Speaker, I would only like to say to the family of Mr. Evers that there are many of us in the Congress who will do all in our power to carry on—to see that the Congress make a moral commitment and enacts necessary bipartisan legislation to insure that Mr. Evers did not die in vain; to insure that we will indeed have equality of opportunity for all Americans now.

#### THE LATE HONORABLE FRANCIS E. WALTER

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, knowing of the real heartfelt appreciation of my colleagues and the sincere affection which they held for "Tad" Walter, I was very much moved by a letter written by a friend of mine, Marcus Daly, to a newspaper in Monmouth County, N.J., the Red Bank Register, which reads as follows:

LINCROFT, N.J.

To the Editor:

On May 31, U.S. Representative Francis E. Walter, of Pennsylvania, died after a long illness. Many persons know his name from his chairmanship of the Committee on Un-

American Activities. Here he did outstanding work in vigorously opposing all those forces determined to undermine the American way of life. For this work alone he did deserve the thanks of all of us.

However, there was an area that he worked in that was little known about. Here he showed a true stature of being a great humanitarian. This was in the field of international refugee relief. For over 3 years, I saw the deep interest he had in this truly charitable work of helping the refugees. Many thousands of refugees now in Australia, Latin America, Israel, Canada, and the United States owe their present peace of life to this man. He did everything legally possible in the interpretation of laws and regulations so that these unfortunate victims of communism could once again live with their heads held high as free men.

To enumerate the untold instances of his interest would cover many pages of newspaper. Suffice it to say he looked to all men as his brothers' keeper.

I know that, in many thousands of hearts, prayers have been and are being said for this man—"Tad" Walter—their unknown benefactor.

His ways may have irritated many and pleased others, but he saw what he thought was right for the refugee and did it.

Sincerely yours,

MARCUS DALY,

Former Director of the Intergovernmental Committee for European Migration.

#### ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—(H. DOC. NO. 122)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with illustrations, referred to the Committee on Public Works and ordered to be printed:

#### To the Congress of the United States:

Pursuant to the provisions of section 10 of Public Law 358, 83d Congress, I transmit herewith for the information of the Congress the annual report of the St. Lawrence Seaway Development Corporation, covering its activities for the year ended December 31, 1962.

JOHN F. KENNEDY.

THE WHITE HOUSE, June 13, 1963.

#### SEVENTH ANNUAL REPORT OF THE SURGEON GENERAL OF THE PUBLIC HEALTH SERVICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—(H. DOC. NO. 121)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

#### To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended, I transmit herewith for the information of the Congress the Seventh Annual Report of the Surgeon General of the Public Health Service summariz-

ing the activities of the health research facilities program.

JOHN F. KENNEDY.

THE WHITE HOUSE, June 13, 1963.

#### SUBCOMMITTEES NOS. 3 AND 5 OF THE COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittees Nos. 3 and 5 of the Committee on the Judiciary may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### SUBCOMMITTEE ON CENSUS AND GOVERNMENT STATISTICS

Mr. OLSEN of Montana. Mr. Speaker, I ask unanimous consent that the Subcommittee on Census and Government Statistics be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

#### CALL OF THE HOUSE

Mr. BYRNES of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Abernethy	Forrester	Norblad
Alger	Fulton, Pa.	Pepper
Ayres	Gavin	Philbin
Baring	Gibbons	Pilcher
Boland	Green, Oreg.	Powell
Bolling	Hanna	Rains
Bolton	Harsha	Reuss
Oliver P.	Healey	Richman
Brown, Ohio	Hébert	Rivers, S.C.
Buckley	Hollfield	Ryan, Mich.
Cederberg	Jones, Ala.	Schwengel
Celler	Karth	Scott
Chenoweth	King, Calif.	Shelley
Clark	Kirwan	Sheppard
Collier	MacGregor	Trimble
Conte	Martin, Calif.	Vanik
Cunningham	Martin, Mass.	Van Pelt
Daddario	Miller, Calif.	Whitener
Davis, Tenn.	Minshall	Wilson
Derwinski	Mosher	Charles H.
Diggs	Murphy, N.Y.	

The SPEAKER. On this rollcall, 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### COAST GUARD

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 79) to require authorization for certain appropriations for the Coast Guard, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, strike out "December 31, 1963," and insert "after fiscal year 1964."

Page 1, lines 7 and 8, strike out "after that date" and insert "after December 31, 1963".

Page 2, line 17, strike out "project," and insert "project."

Page 2, strike out lines 18 to 21, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### DISABILITY BENEFITS UNDER SOCIAL SECURITY

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I am today introducing legislation to reduce to 1 year the amount of covered working time required to be eligible for social security disability insurance benefits. My proposal will enable young, disabled workers to receive disability insurance benefits if they are disabled early in their working life.

This bill liberalizes present social security requirements. Disabled workers now receive disability benefits only after 5 years of covered work during the 10-year period immediately preceding the onset of disability.

Mr. Speaker, there is a decided need for this legislation. Under present law, a young disabled worker who has had social security for less than 5 years is denied disability benefits. My bill corrects an inequity to younger workers, many of whom have inadequate means to provide for their growing families in the event of an unexpected and tragic disability.

I am pleased to join with the gentleman from Texas [Mr. BECKWORTH] in introducing this needed legislation.

This is the fourth major amendment to the Social Security Act that I have proposed so far this session of Congress. The other social security bills I introduced would increase minimum social security benefits from \$40 to \$50 per month, lower age requirements for full social security benefits to 60 years for

both men and women, and increase to \$1,800 the annual amount of earned income a person may receive without having his social security benefits reduced.

These bills, if enacted, would strengthen our economy at the base. They would put needed purchasing power into the hands of those who need it most. They would bring a measure of social justice to individuals and families and those 35 million of our fellow citizens—including many in the Sixth Congressional District of Pennsylvania, which I represent—who are denied the opportunity of a decent livelihood in the midst of great national surpluses and prosperity.

#### OBSERVANCE OF VICIOUS TAKE-OVER BY SOVIETS OF LITHUANIA, LATVIA, AND ESTONIA

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HORTON. Mr. Speaker, this Sunday, June 16, the Baltic States Freedom Committee of New York is commemorating the vicious takeover by the Soviet Union of Lithuania, Latvia, and Estonia in 1940, and the mass deportations which occurred in 1941. While my schedule of official duties prevents my personal attendance to this commemoration, I have sent the following message to be read at this observance. Because it expresses my firm convictions on the responsibilities I feel we in the United States have to those trapped behind the Iron Curtain, I would like to share this message with my colleagues:

JUNE 16, 1963.

I deeply regret not being able to participate personally in the observance being conducted by the Baltic States Freedom Committee of New York. However, my absence in no respect lessens my strong sympathy for the cause of your commemoration.

The forcible occupation of Lithuania, Latvia, and Estonia by the Soviet tyrants and their subsequent deportations are a tragic blot on world history. These evil events must not be forgotten. They are an ignoble example of Communist oppression.

We who legislate in behalf of freemen are summoned to speak clearly and act forthrightly to banish forever the bondage of communism. Our mission must be to eradicate this awful scourge from Lithuania, Latvia, and Estonia, and wherever else it enslaves freedom-loving people.

Please extend my best wishes to all who will join in this important commemoration. Their activities are living proof of the strong desire in America to restore human dignity to the brave people of the Baltic States.

FRANK HORTON,  
House of Representatives.

#### PROCLAIMING DECEMBER 7, 1966, AS "PEARL HARBOR DAY"

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.



Mr. MARTIN of Nebraska. Mr. Speaker, today, I introduced a joint resolution to authorize the President to proclaim December 7, 1966, as "Pearl Harbor Day" in commemoration of the 25th anniversary of the attack on Pearl Harbor.

This day should always be one to remember; not one of comfort, but one to keep before us so that it will never again happen.

December 7, 1941, was a black day in American history. On that day, many men serving their country gave their all for a common cause. Since that time there have been various tributes, memorials, and other efforts to sustain the history so that this shall not be repeated.

Because the heroism of American forces before the unforeseen onslaught was an inspiration throughout the grim and terrible struggle that followed and because the bright beacon of courage then ignited will burn forever in the hearts of free men, I believe that it is only proper that the 25th anniversary of this occasion be proclaimed as a special date of remembrance and be observed with appropriate ceremonies and activities.

#### WITHHOLDING FEDERAL FUNDS FROM EDUCATIONAL INSTITUTIONS PRACTICING RACIAL DISCRIMINATION

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, on Tuesday, I introduced a bill, H.R. 6971, to withhold Federal funds from any educational institutions which practice racial discrimination.

The bill applies to funds under acts for national defense education, vocational education, federally impacted areas, library services, and land-grant colleges.

It would amend each to limit funds to schools which are on a racially nondiscriminatory basis or are carrying out plans which will achieve a nondiscriminatory basis by June 30, 1964.

The explosive racial situation calls for effective but moderate Federal leadership. My bill would involve most public and private educational institutions, and would provide a strong financial incentive for these institutions to end any racial discrimination. It would be a peaceful noncompulsory way to promote equal opportunity for Negroes.

The President has said he cannot withhold Federal funds because of racial segregation unless Congress includes such authority in the law. I am doing my best to give him that authority.

The spending of Federal money for education is unwise; but if the forces of spending cannot be stopped, the least we should require is that the money be spent fairly. Everyone pays taxes, and no citizen should be deliberately deprived of some benefit from his own taxes—small as it might be.

#### TAX RATE EXTENSION ACT OF 1963

Mr. MADDEN. Mr. Speaker, on behalf of the Committee on Rules, I call up the resolution (H. Res. 396) providing for the consideration of (H.R. 6755) a bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and ask for its present consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentlewoman from New York [Mrs. St. George] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 396 provides for consideration of H.R. 6755, a bill to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates. The resolution provides a closed rule, waiving points of order, with 3 hours of general debate.

The purpose of H.R. 6755 is to continue the present corporate tax rate and certain existing excise tax rates for 1 year.

The existing tax rates which this bill continues for 1 year are the present combined 52-percent corporate income tax rate, which would otherwise revert to 47 percent, and the present rates of excise tax on distilled spirits, beer, wine, cigarettes, passenger cars, automobile parts and accessories, general telephone service, and the transportation of persons by air. All of the taxes affected by this bill, except those relating to general telephone service and transportation of persons by air, are taxes which were increased at the time of the Korean war. The Tax Rate Extension Act of 1959 added the latter two taxes to the list of taxes subject to automatic reduction.

If this bill were not enacted, it is estimated that there would be a revenue loss of \$4.1 to \$4.2 billion in a full year of

operation and a loss of revenue in the fiscal year 1964 of \$2.8 to \$2.9 billion.

The rate extensions contained in the bill conform with the recommendations made to the Ways and Means Committee by the Secretary of the Treasury.

Mr. MADDEN. Mr. Speaker, I reserve the balance of my time.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 396 makes in order the consideration of H.R. 6755 to provide a 1-year extension of existing corporate normal-tax rate and of certain excise tax rates, and all points of order against the bill shall hereby be waived. The general debate will last 3 hours, and there will be only one motion besides those amendments offered by the Committee on Ways and Means—there will be only one motion to recommit.

Mr. Speaker, of course we are told that it is a perfectly normal thing that this money is needed. Well, we need a great deal more money than this because we are running on borrowed money right straight along. This bill actually would provide a very small amount compared to what we need. It will also provide a very small amount compared to the deficit we are prepared to face at the end of the fiscal year which has been minimized at \$10 billion.

Mr. Speaker, the only quarrel I have with the bill is the fact that we do not seem to be willing, in this House, any more in this bill than we did on the debt limit, to face facts. Why not admit that these taxes are going to continue on? There is nothing temporary about them, nothing temporary at all. They are just about as temporary as eternity. So why come in here year after year, which we will do, and go through the same operation? Why do we not just admit that the taxes have gone up, that they will go up some more, that we will have deficits, and that we will have to live with deficits?

That is my one great quarrel with this bill.

Apart from that, Mr. Speaker, there is no objection I know of to the rule, although I do not see how we can consume 3 hours of debate on this matter.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. Bolton].

Mrs. FRANCES P. BOLTON. Mr. Speaker, at the beginning of this session of Congress I introduced H.R. 45, to repeal the excise tax on telephone service. In their consideration of H.R. 6755, the bill before us today, I regret the Committee on Ways and Means did not give this matter consideration. This tax on telephone service has been collected for some 20 years now, though it was imposed during World War II as a "temporary" measure, as the gentlewoman from New York, Mrs. St. George, has stated.

The telephone is the only household utility subject to Federal excise tax. It should not be included with the excise tax on luxury items because the telephone is a very essential service. More than 80 percent of our Nation's homes have telephones and it is quite impossible for business to operate without it.

Without the tax, it is reasonable to expect that there would be a still greater use of the telephone which would contribute to the stimulation of the economy. More telephone use would require more construction of telephone equipment, lines, and so forth. This would contribute to the creation of more jobs both in the telephone industry and in the economy at large.

For several years now there has been general agreement in the Congress that the tax on general telephone service should be repealed. But when? Each time we have said—next year, perhaps. It seems to me that we should delay no longer.

Mr. BAKER. Mr. Speaker, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield to the gentleman from Tennessee.

Mr. BAKER. I want to compliment the gentlewoman from Ohio upon the introduction of the bill to which she refers and to inform her that when this matter was heard in the Committee on Ways and Means the gentleman from New York [Mr. DEROUNIAN] offered an amendment to repeal the telephone tax over a period of years. That was defeated by a vote of 16 to 9. I favor the gentlewoman's bill.

Mrs. FRANCES P. BOLTON. I thank the gentleman.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Speaker, I am opposed to this bill, more particularly that portion which extends the Federal excise tax of 10 percent on general telephone service.

Originally, the Federal excise tax of 10 percent on telephone calls was imposed not only to raise revenue but to discourage use of the telephone at a time when metals and war materials were scarce. It was intended as an emergency, temporary wartime levy.

Today, 18 years after the war, it still remains in our statute books. Although, in 1959, we voted to end the tax effective the following year, the 86th Congress in 1960 restored it.

Mr. Speaker, to continue this tax would be to place telephone service in a luxury class comparable to the tax on jewelry, perfumes, and furs. Telephone service is a business and household necessity—it is an essential utility service like gas, water, and electricity.

This is an unfair, burdensome, and discriminatory tax and it should be repealed.

I regret the action taken by the Ways and Means Committee in further extending this tax.

The people are fed up with the high taxes they have to pay, not only to our Federal Government, but to our State and local governments.

Mr. Speaker, when taxes are high and still going higher and we are faced with a desperate need for expenditures of unparalleled proportions, we must consider other means of raising revenue which in ordinary times might not be considered suitable.

Neither this Congress, nor the Ways and Means Committee, has the right to

ignore or be careless of possible tax and revenue advantages offered by a Government-run lottery which could easily pump into our Treasury over \$10 billion a year in additional revenue.

Mr. Speaker, a national lottery which would be a painless and voluntary form of taxation, would certainly be a more palatable way of raising revenue for this Government.

If the Ways and Means Committee and if this Congress is really sincere and concerned with the plight of the American taxpayers and wishes to alleviate the heavy burdens of taxation, then it should have the courage to seriously consider a Government-run lottery as the only sensible, realistic, and logical alternative to this type of legislation.

Mrs. ST. GEORGE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, I would, in principle, object to the rule except that understanding the procedures we normally follow, I realize with a sense of frustration that it is not the intention of the House at this time to depart from recent practices, but I would hope that some day we will under a rule on a bill from the Committee on Ways and Means have the opportunity to present amendments, so that not just the overburdened members of the committee itself but the entire House could work its will in these deliberations. Incidentally, as I look at the members of the Committee on Ways and Means, I see the distinguished chairman [Mr. MILLS] and the ranking minority member [Mr. BYRNES], both much grayer now than they were 6 months ago when they started their deliberations on the President's tax proposal. And, I look at this proposal to extend the excise taxes for a year with some apprehension. I say the simplest painless procedure possible would be to abolish these temporary taxes. It would save the wear and tear on the members of the Committee on Ways and Means, and remove the entire subject of tax revision from the political arena, and I believe it would probably be the most welcome changes that the House could take. But, realizing that we seem to thrive on confusion, realizing that we thrive on temporary means I bow to the inevitable.

I realize the rule will be granted and realize that the temporary taxes become permanent. But, I do hope that some day we will get a rule on the tax bill, an open rule, so that we can work our way on amendments and that we can eliminate the temporary wartime-imposed taxes.

Since Federal revenues from these sources now reach \$7 billion, we would, in effect, be giving consumers of products and telephone users across the country a tax reduction effective July 1, which would immediately reach an overwhelming proportion of our population. The sum involved could effectively be balanced by economy moves now clearly apparent in the Congress. We will then have presented the public with a tax reduction based on corresponding reduction in expenditures. The arguments for a tax reduction could be validly

applied here; to stimulate the economy, reduce the burden on individual citizens, businesses, and so forth, to eliminate record keeping, redtape, and paperwork, that are impediments to American businesses and, last but not least, the restoration of faith in Government promises that were made regarding the temporary nature of these excise taxes.

Perhaps this proposal does not have the political magic of an across-the-board slash in income tax rates, but it would reach as many people and have an immediate sound effect. Furthermore, the principle of eliminating the wartime imposed excise taxes is a valid one, and this action would not create a great inflationary spiral and an increase in our national debt that are inherent in the complex and controversial proposals presented to this committee by administration spokesmen.

Mrs. ST. GEORGE. Mr. Speaker, I have no further requests for time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.  
The SPEAKER. The question is on the resolution.

The resolution was agreed to.  
Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6755) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The motion was agreed to.  
Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6755, with Mr. DELANEY in the chair.

The Clerk read the title of the bill.  
By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, each year, beginning in 1954, the Congress has been requested by the person then President of the United States to provide a 1-year extension in certain tax rates that would otherwise revert to lower rates generally on June 30 of that year. This started, Mr. Chairman, during the administration of President Eisenhower in 1954. It was repeated by President Eisenhower through a request to the Congress in each of the years that he served in that high office and into President Kennedy's administration.

Once again we have the President of the United States requesting the Congress to enact legislation to continue for one additional year certain rates of taxation that would otherwise expire or drop to a lower rate without this action on June 30 of this year.

Mr. Chairman, let me here summarize the specific taxes involved, and the Treasury revenue estimates of the full year effect.

H.R. 6755 continues for 1 year—until July 1, 1964—the present combined 52-percent corporate income tax rate which would otherwise revert to 47 percent—the 5-percent point reduction would occur in the 30-percent normal tax. The Treasury revenue estimate for a full year is \$2.5 billion. The bill also continues



the following excise tax rates until July 1, 1964:

First. Distilled spirits, which would be continued at \$10.50 rather than \$9 per proof gallon—\$193 million.

Second. Beer, which would be continued at \$9 rather than \$8 per barrel—\$84 million.

Third. Wines, which are continued at various tax rates rather than being reduced by approximately 11 percent—\$9 million.

Fourth. Cigarettes, which would be continued at 8 cents rather than 7 cents a pack—\$246 million.

Fifth. Passenger cars, which would be continued at 10 percent rather than 7 percent of the manufacturers' price—\$460 million.

Sixth. Auto parts and accessories, which would be continued at 8 percent rather than 5 percent of the manufacturers' price—\$82 million.

Seventh. General telephone service, which would be continued at 10 percent of the amount paid rather than reduced to zero—\$570 million.

Eighth. Transportation of persons by air, which would be continued at 5 percent of the amount paid rather than reduced to zero—\$105 million.

If this bill were not enacted, it is estimated that there would be a total revenue loss of \$4.1 to \$4.2 billion in a full year of operation and a loss of revenue in the fiscal year 1964 of \$2.8 to \$2.9 billion—taking into account floor stock refunds.

During the course of the time that we have been extending certain of these higher rates of taxation there have been added to this list, by action of the Congress, two taxes that were not initially levied in the period of the Korean war. One of those—the telephone tax—has been discussed already under the rule today, Mr. Chairman. I think it is interesting in this connection to look back a little bit to see how long this tax on telephone service has been in existence. In the year 1914 Congress levied an excise tax on long distance telephone service. In 1916 the Congress saw fit to repeal that excise tax. In 1917, the Congress reenacted an excise tax on long distance telephone service, which was again repealed in 1924. It was again reenacted in 1932 and has remained in existence in some degree ever since, either upward or downward. In 1941, it is true that for the first time Congress levied an excise tax on local telephone service.

So you see, Mr. Chairman, this matter that is included in this bill dealing with the taxation of telephone service is not something that was started basically as a temporary matter during the Korean war. It became a temporary matter in 1960, as I remember, as the result of the adoption of an amendment by the other body that came to us in conference. Rather than permit the tax to lapse at that time the conferees decided that it should be extended for 1 year, and we have been extending it since that time, and you are asked to extend it again this year.

Mr. Chairman, with respect to this particular tax, one suggestion has been

made to the committee that the committee reduce the rate of the tax—not repeal it, but reduce the rate of the tax—over a period of years, for the reason that under the telephone tax the revenue is rapidly approaching \$1 billion, and there is fear on the part of the industry that if the amount of the revenue to be developed from any particular tax ever reaches the level of a billion dollars it may be much more difficult to get the Congress to repeal that tax. We are assured, in conversation with the industry, that if we drop this tax from 10 to 9 percent, let us say, and then subsequently down to 8 percent, and subsequently to 7 percent, and on down to 6 percent, and then leave it at 5 percent, that the use of telephone service is increasing at such a rate that by the time we would reach a 5-percent rate sometime in the future we would in all probability be developing as much revenue then from that rate of tax as we are developing today from a 10-percent rate.

I have reviewed this for the information of the Members. However, I should here point out that I have not been able to reach the conclusion that this excise tax serves to depress the industry that is collecting the tax. It is, of course, a tax upon the consuming public—those who use the telephone service. Naturally they would like to have this tax, as I am sure they would like to have many other taxes that they pay, repealed, so that they would no longer have to pay them. For example, there are other excise taxes in this bill they would like to have repealed or reduced. But I am sure the information I have given the House indicates that the committee has not yet been able to conclude that the reason for a repeal of this tax is the onerous load placed upon the industry itself, or that it serves to defeat growth within the industry itself. I can understand the industry's point of view. I hope that sometime in the future it may be possible for the committee to give attention to the proposal of the industry of graduating the rate of this tax downward over a period of time.

If one would vote against this bill because of his dislike of the telephone tax, for example, one would have to bear in mind also that he would be voting to reduce certain other rates of taxation; that he would be voting against revenue amounting in a full year to more than \$4 billion presently coming into the Treasury of the United States.

But again, Mr. Chairman, let us look at what is involved here in the bill in addition to the tax on local telephone service. As I indicated earlier there is a 5-percent point normal tax paid by corporations involved here. The tax would revert from the 30-percent normal tax rate to the tax we had before the Korean war, which was a 25-percent normal tax. There was at that time and still is a 22-percent surtax on corporate income above \$25,000. As I also indicated, in addition to this particular 5 percentage points, which amounts to about \$500 million per point—a little bit more than \$½ billion of revenue—there is involved a reduction, if this were not

passed, in the tax on distilled spirits from \$10.50 per proof gallon to \$9; on beer, a drop in the tax from \$9 to \$8 per barrel; on wines an average of about 11-percent reduction in the varying rates applicable to various kinds of wine; on cigarettes a drop in the tax from 8 cents per package to 7 cents per package. On passenger cars a manufacturer's excise tax of 10 percent is being levied at the present time. If this legislation is not passed that manufacturer's excise tax would revert to 7 percentage points on June 30 of this year. The automobile industry itself has asked, of course, that we not make this 10 percentage points permanent, because they look forward to the day when this tax may be brought down not to just 7 percent but down, perhaps, to as little as 5 percentage points. But at the moment, at this time and in this particular year the automobile industry is enjoying a high level of sales, just as it did last year.

Mr. Chairman, we could not feel that this particular situation justified separate and distinct treatment that we were not according other industries that are also involved in these excise taxes, that are not Korean taxes, that were levied long before the Korean war.

We did not feel justified, therefore, in picking this particular tax out for special treatment.

Automobile parts and accessories are also involved. The tax under existing law is 8 percent. Without this legislation that tax would drop to 5 percent.

In addition, there is involved in this bill the question of a 5 percent excise tax on the amount paid by those using airline services. It will be recalled, Mr. Chairman, that last year we worked out some changes with respect to the tax on travel by passengers. In that year we dropped this tax altogether for travel over railroads, water, and on buses and reduced it from 10 percentage points to 5 percentage points with respect to travel on airlines. At the time we did that we selected this method of continuing a type of user tax on airline service in lieu of then considering all the recommendations which had been handed to the Congress by the President for a tax on jet fuel and perhaps even other things that would be used by the airlines that would serve as a use tax to partly compensate the Government for some of the expenditures incurred in connection with airline transportation safety and matters of that sort. The airline people themselves would much prefer that we continue this 5 percentage points on the amount paid by passengers of airlines than to impose upon them some other or additional type of user tax. There is no question in the minds of the industry about that particular point.

Mr. Chairman, I repeat that here we have without the passage of this legislation a revenue loss for the fiscal year 1964 of approximately \$2,900 million and a revenue loss for a full year of about \$4,200 million.

I think it is quite evident to all that we consider this proposition at this time in a somewhat different atmosphere and under different circumstances altogether than was the case in some of the years

in the past. We have before the committee this year, contrary to the situation last year or in the year before, a request from the President of the United States that we make certain adjustments with respect to the rates of taxation affecting individuals as well as corporations. No decisions have been made other than with respect to some substantive parts of the President's proposals other than rates, on a tentative basis, by the Committee on Ways and Means. No definite, final, decisions have been made even with respect to those matters that have been announced by the committee as tentative decisions. But certainly the committee has made no decision with respect to what it will recommend in the way of rate reductions either for corporations or for individuals.

I would think that the more appropriate procedure for the House to follow would be to go along with the recommendation of the committee in this instance. Let us continue these expiring rates for such period of time as we suggest here, to give the House and the other body the opportunity of working their will with respect to the recommendations that the President has placed before the Congress.

Let us leave some leeway so that we can say that the Congress does desire to do something about the corporate rate of taxation, that the Congress thinks that the time has come to get the Government out of the position of being a majority stockholder in the profits of corporations.

Let us say that the Congress has decided the time has come to do something about these very high individual rates of taxation, ranging from 20 percent to 91 percent. If the Congress wants to do that, certainly, the Congress should have that opportunity but if we do not continue these rates of taxation involved here, certainly, the Congress will not have the same opportunity of looking at the overall picture because we are talking here about almost \$3 billion of revenues that were anticipated actually in the development of revenues for the purposes of the budget of 1964. If these revenues are not to be continued, in my opinion, we do not have the opportunity, certainly the same opportunity, to pass judgment even on what the Congress will want to do in the overall situation facing the American taxpayer.

I believe it is much better for us to proceed in this manner, to look at the situation with respect to the overall picture and a little later on in this session reach conclusions about reductions of rates in that connection, rather than here today prevent, or tend to prevent, a proper application of such action as we might want to take in reducing rates.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BOW. Of course, I must preface my question by saying I am one who would like to see a reduction in taxes, and particularly in these taxes. But may I ask the gentleman this question: With the budget we have now and the expenditures that we are having, am I

correct in the assumption that if we should vote against this bill and take these taxes off, that with the expenditures we are facing, it would require the Government to borrow this money and pay interest on it.

Mr. MILLS. The gentleman is correct. Let me say further in reference to that, because it has its application elsewhere, any time we do not collect within the course of a particular fiscal year through taxation the amount of money that we spend, then we have to borrow it and we have to pay interest on the amount that we borrowed, in order to pay the expenses of Government.

Mr. BOW. Do I understand if we had to borrow this money that that might again occasion the necessity for an increase in the debt limitation?

Mr. MILLS. Oh, there is no doubt about that. If we were to increase the prospective deficit, whatever it is, by such a reduction as this contemplates in this fiscal year, it would add to the size of the debt limit.

Mr. BOW. Then am I correct in assuming that if we are intent upon cuts of this kind in taxation, then to be responsible about it, we have to find some way also to cut budgets and to cut the spending of the Government.

Mr. MILLS. The gentleman from Ohio is a very distinguished member of the Committee on Appropriations and I know he diligently applies himself daily to the proposition of trying to find ways and means—if I may use that term—of bringing about reductions in the rate of spending by the Federal Government. To the extent that the gentleman and his committee are successful in that accomplishment, they make it possible in my opinion for the Congress, beginning with the Committee on Ways and Means, to have more room within which to accomplish objectives that have been submitted to the Congress for tax reduction. Certainly, I would feel better about any tax rate reduction being accompanied by a tighter rein on Federal spending.

Mr. BOW. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I am glad to yield to the gentleman.

Mr. GROSS. Had the area redevelopment bill which was considered by the House yesterday been passed, that would have called for nearly a half billion dollars of additional spending; would it not?

Mr. MILLS. May I say to my colleague, I find my time has been so taken up with consideration of methods and ways to try to figure out how to relieve the taxpayers of some of these rates of taxation, I am going to have to rely upon my friend's opinion as to the total amount involved. Yes it is around \$450 million.

Mr. GROSS. Yes; I say close to a half billion dollars.

Mr. MILLS. All right.

Mr. GROSS. If the gentleman will yield further, we will not quarrel in this case over \$5 million or so, or \$50 million or so.

Mr. MILLS. My friend and I never quarrel over anything; never.

Mr. GROSS. I thank the gentleman.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I shall be glad to yield to the gentleman from Illinois.

Mr. FINDLEY. The Chairman of the Committee on Ways and Means indicated a little earlier that the 5 percent tax on telephone service was not desirable from the standpoint of the telephone industry.

Mr. MILLS. Yes, I indicated the industry would prefer that it be reduced.

Mr. FINDLEY. And has now proved to be an onerous burden upon the industry.

Mr. MILLS. No; I used—pardon me, but I used the suggestion and recommendation that that had come about from certain people within the industry for a gradual reduction in the rate. Their statement to me about the amount of revenue we would get under these lower rates, at least to me, has indicated that the industry was growing and extending more telephone service daily and that we could not point to this particular industry as one that was depressed necessarily as a result of this tax.

Mr. FINDLEY. If the gentleman will yield further, in view of that and in view of the further need for additional revenue did the committee in its consideration of this bill give any serious thought to increasing the rate on telephone services?

Mr. MILLS. No; the committee did not. The committee gave consideration to the possibility of gradually reducing this rate, as the gentleman from Tennessee observed during consideration of the rule, but we did not give any consideration in connection with this bill to any further increase in any of these taxes. We did not do that.

Mr. Chairman, I trust the House will agree with the Committee on Ways and Means and approve H.R. 6755.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, I supported the rule. I am opposed to the bill.

Mr. Chairman, this matter is ready for the consideration of the House. However, I would like to point out what I feel to be the function of a member of a committee and, indeed, the function of a committee of the House of Representatives, and that is to try to elucidate, to try to bring out the factors and the views that pertain to an issue so that the House can make its decision.

Mr. Chairman, I feel it is important to dwell a little bit upon that function, because I find that many committees are going along the road of feeling that their purpose is to make the decisions for the House and, therefore, to try to gather together the various viewpoints within the committee so that they can come onto the floor of the House with a unanimous approach. Then, the technique of debate on the floor becomes one really of concealing information rather



than bringing it out, and concealing honest differences of opinion rather than bringing them out.

Mr. Chairman, I am satisfied that the Committee on Ways and Means has done an adequate job of studying this matter and bringing the issue to the House in the majority report. I might say also that our chairman, the gentleman from Arkansas [Mr. MILLS], in his usual excellent fashion, has presented the situation. However, I want to call attention to the minority views which are signed by six Members, the object of which not being one of trying to necessarily defeat this bill, although it is our recommendation that it should be. We try to spell out the reasons and to bring out some of the basic points that are involved.

Mr. Chairman, it is my opinion that we have a practical matter to consider. The executive department has already decided that we should have a tax cut. The Committee on Ways and Means is already in the process of considering this tax cut. If we are practical men and women—and I know we are—with the majority of the committee being 15 to 10 Democrats against Republicans, and the Democrats naturally wanting to support their administration—in this climate where the executive is the one which does the suggesting rather than legislation being initiated here in the Congress, the decision has been largely made for us that there is going to be a tax cut bill.

All of this talk about having to have expenditure reform before you have a tax cut is out of the window, so far as the administration is concerned. I adhere to that position as strong as I know how. I think it is a dangerous thing to pursue a course of having tax cuts anywhere without some knowledge of expenditure reform coming about. It certainly does not behoove the majority of the Committee on Ways and Means or this administration to advance any argument along the line of not cutting taxes before expenditures are cut.

I refer to the minority viewpoint that speaks about the morality involved in this matter. There is a moral obligation at issue here. When a decision has been made to cut taxes, obviously the taxes that must be cut first or eliminated are those that were imposed on a temporary basis to meet a specific need. These taxes we have before us today we imposed on a 2-year basis to meet the needs of the Korean war. They have been continued on an annual basis 10 times by this Congress on the theory that we needed the revenue. I might say I have supported that proposition each time, because indeed we did need the revenue if we were not going to exercise expenditure reform.

I think I have always been a member of the so-called economy bloc doing my best with my votes and with my voice to persuade the Congress that we need to exercise expenditure reform, and yet I have gone ahead and said, yes, we must raise these taxes, and as the chairman of the committee pointed out, if we do not raise the money in the form of taxes, then we have to borrow the money.

Does morality mean anything to us in the Congress these days? I wonder.

Here we are talking about cutting taxes and the administration says we must do so for the benefit of our economy although we do not have expenditure reform. They come in and say, cut the permanent taxes and extend the temporary cuts. How can the people of the country believe us if we in the future say we are only going to impose a tax on a temporary basis?

I happen to think morals are important. That is one thing, if anything, that bothers me about the future of our country. I refer to the seeming lack of understanding of this point. We in politics know what a pledge means or is supposed to mean. Has it reached the point where we openly and avowedly renege on our pledges? Mind you, this is in the terms of a tax cut. The administration says we must cut taxes.

Let me point out another inconsistency of the administration's position on this bill. As set out in the minority views, there is the testimony of Secretary of the Treasury Douglas Dillon when he testified before the Committee on Ways and Means on behalf of this extension of the Korean excise and the corporate tax increase.

This becomes perhaps a little bit complicated, but it is a very important thing because the President's tax message on tax cuts emphasizes the need for a balance between the investment dollar and the consumer dollar. Indeed, the President's Council of Economic Advisers has emphasized heavily the importance of releasing money into the consumer purchasing power area by releasing consumer taxation, taxation on the consumer dollar, and has gone to a very refined and, I might say, questionable economic theory of the multiplier effect on the economy that the release of a tax on the consumer presumably will have on our economy. Now, whatever balance we work out in a tax cut bill which may come out of the Committee on Ways and Means, there is going to be some balance. There is going to be a cut on the investment dollar and there is going to be a cut on the consumer dollar, and there must be some balance. I know no one disagrees that there should be a balance. The argument is, where you balance up; how much to the consumer dollar; how much to the investment dollar.

Now, read Secretary Dillon's testimony when he said:

The automatic excise tax reductions are particularly inconsistent with the decision of the President that tax revision to stimulate economic growth and increase taxpayer equity first requires removal of the strong check on initiative and investment inherent in present income tax rates.

These taxes that we have before us happen to be consumer taxes, and the Secretary of the Treasury is now telling the Congress—and I assume he speaks with authority for the administration—that any reduction in taxes on the consumer side is inconsistent with the decision that the President has made. Let me say that the excise taxes of \$1.7 billion in here are consumer taxes and the impact falls on the low-income consumer in the same proportion that it hits any other income bracket consumer in our

country. But, in theory, take any Federal income tax, it does not hit the lowest income bracket, because those people are not taxpayers. And, here we have the political party that has professed to be the party of the little man coming out and saying that a tax cut on the consumer level, that will really get to the lowest income group, is inconsistent with the theory that the President has decided to pursue.

One other point was made insofar as the initial imposition of transportation and communication taxes; part of the Korean war taxes. The point relates to the theory of allocating our resources; it was not entirely just to raise revenue. It was to deter the use of some of these economic facilities, communications and transportation in particular. Now, here is a tax reduction proposal that the President has given to the Congress seeking primarily to stimulate the economy, to stimulate economic activity. Well, by any logical sequence, the very first taxes we should remove would be those we set in to impede. So, not only do we have a moral problem of removing these taxes that went on for commitment reasons but also for good economic reasons.

Now I come to another point and the one that disturbs me most, and I think it disturbs the people on my side of the aisle and those on the Democratic side of the aisle who are concerned about expenditures. In our report we say:

Congress can force a modicum of expenditure reform by not passing this tax increase bill.

Then I want to read what we say:

Many people have argued that the only way to bring about expenditure reform is to first reduce the revenues—cut the taxes.

Now, I have not agreed with that point of view. The report goes on to say:

There is merit to this statement but only when control is being exercised over the authority of the Federal Government to issue more Federal bonds in lieu of the lost tax revenues.

Now, is there this discipline over the executive department to sell the bonds, I say to my friend from Ohio [Mr. Bow]?

The answer is "Yes." Even though we did not follow the Republican recommendation in the House and in Congress to hold the debt ceiling to \$305 billion, to exercise real discipline, the \$307 billion and the \$309 billion which it goes onto August 31, as the chairman of our committee, the gentleman from Arkansas [Mr. MILLS], of course, told the House, was not a loose ceiling. Indeed, it was tight, and there was no question about it. If this House saw fit to turn this bill down, this tax increase bill, here is what would happen. Expenditure reform would come. Mind you, this is another point. Oh, you can turn semantics around and say that this bill is simply extending taxes, but let us face it, this is a tax increase bill over our permanent tax base. Only by affirmative action do these taxes go up. This is a tax increase bill. If we fail to increase these taxes here today, the executive department is going to have to exercise expenditure reform because the executive department

under the debt ceiling cannot sell more bonds.

Secretary Dillon said this to me in answer to my interrogation in the Committee on Ways and Means on this particular matter. He said with a smile, "Oh, Congressman, if you do this we are not going to have to do anything about expenditure reform until late in August. This is not going to put the bite on us."

I said, "No, Mr. Secretary, you are right and I am very pleased you make the point because it does take planning to exercise good expenditure cutting." If we force it on overnight we would create some real economic damage, but if this House should take this action today and if the administration came before us, as it must anyway, whatever we do, in August, and told this House it has not exercised expenditure reform and had not set up planning so that expenditure cutbacks could be made, the President of the United States would be guilty of the grossest sort of fiscal irresponsibility.

So I say this is a technique—we do not have many and it is not the best, but it is a technique—for exercising expenditure reform.

Just as I tried to point out in the debt ceiling legislation that was before us, the President does have considerable leeway in his expenditure rate. He has requested \$108 billion in new obligational authority for fiscal 1964, and he has a carryover amount from previous authorizations of \$87 billion, giving him a total authority to spend \$195 billion. He has told us his expenditure rate for fiscal year 1964 will be \$99 billion roughly. In other words, he has some leeway, not as great as those gross figures sound, but nevertheless some leeway in cutting the expenditure rate back. All this cutback here today would mean would be an insistence on an expenditure rate for fiscal 1964 back to the 1963 expenditure level of \$94 billion. This is entirely within reason.

Then the final point is this: Of course, the way to go about this expenditure reform is through our appropriation techniques, and as the Congress did yesterday on authorization bills. But we have found over a period of time in the Congress, and knowing the will of the majority party, which does not desire to exercise expenditure reform, we must do certain things. The President himself said he does not intend to exercise expenditure reform, and in good faith, because he believes according to his economic theory that the expenditures cannot be cut. This is a basic difference of economic philosophy which the administration and the majority party in the House are espousing, but I know there are many people on the Democratic side of the aisle who disagree.

And yet we find it difficult to cut back on these individual appropriation bills in an adequate fashion. We are always going to have this problem, that the programs are desirable, most of them are, and the big problem of expenditure reform is deciding priorities among desirable programs, and recognizing that you cannot do it or all of them at the same time. We have no machinery in

the Congress—we should develop it, but we do not have it—for establishing program priorities, through the proper way, the best way, through the appropriation techniques, so that we can keep our authorization and expenditure levels to a certain figure.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, I appreciate the gentleman's yielding. As the gentleman in the well knows, for the past 10 years, under the previous administration and this administration I have gone along and voted for this legislation on the ground that each administration has promised they will make an honest attempt to balance the budget. Our present President so indicated in many campaign speeches in 1960, that he would balance the budget. However, in view of the statements the gentleman has just made in the well of the House, and the fact that the administration has reversed itself and is directing itself toward planned deficit spending, I cannot see on the ground of morality, which the gentleman mentioned a minute ago, how I can vote to continue these taxes; that is, in the face of a planned deficit and with no attempt being made to balance the budget.

I think the will of the American people and the desire of the American people have been indicated that we do balance the budget.

Mr. CURTIS. Mr. Chairman, I thank the gentleman. I think his observations are exactly correct. This is a proper technique for those of us who believe that expenditure reform is necessary for us to bring about this kind of discipline. It is an opportunity for those of us who disagree with the theory of planned deficits, not just for the fiscal year 1964—the President of the United States, Mr. Kennedy, has made it clear that his theory of planned deficits will go on at least into the fiscal year 1967. So here is the time for the Congress, for this House, if they disagree with this economic theory, to express themselves by a negative vote.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CLAUSEN. Mr. Chairman, I want to take this opportunity to commend both the gentleman from Missouri [Mr. CURTIS] and the gentleman from Arkansas [Mr. MILLS] for their articulate presentation of the contents of this bill. It is my observation that both of these gentlemen are after similar objectives. There appears to be a simple difference of opinion as to how, when, and where to cut taxes. I am certain that each has a logical reason for his position because each of them is among the most knowledgeable and respected Members of this House. Thank God for their presence.

In view of my previous experience at a lower level of government, I have listened intently to the presentations and conclude that both gentlemen recognize the need for a revision of our tax structure; both gentlemen agree on the pru-

dence of a balanced budget; both gentlemen are concerned about the threat of bankruptcy with the continuing deficit spending concept; both gentlemen agree, as I do, that the way to continued growth and prosperity is to "pull the bit out of the mouth of private enterprise" by releasing tax sources back to poor old John Q. Taxpayer and in so doing give him a raise for his labors.

In conclusion, a paramount factor blossoms forth after hearing this presentation—it is simply a matter of timing. The distinguished gentleman from Missouri [Mr. CURTIS] wants to cut taxes now—when the opportunity is presented to the Members of the House, and the very able gentleman from Arkansas [Mr. MILLS], having the responsibility of defending the administration even though I am convinced he does not agree with the economic theory of the President's advisers, has asked for more time to prepare a broader tax reform. I somehow get the feeling that the time is also required to convince the administration's economic theorists that their philosophy has been in error, as stated in a recent editorial of Life magazine.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Chairman, I see on the ticker that the President has stated that he is going to give the Congress another chance to act on the extension of the area redevelopment program. That is another reason why we should take the kind of action to which the gentleman refers.

Mr. CURTIS. Does the President have the right to move to reconsider the vote that we had yesterday?

Mr. DEROUNIAN. He says he is going to give the Congress another chance.

Mr. CURTIS. No Member has the right to move to reconsider. But I suppose the President, under his concept of Executive authority, believes he has that right.

Mr. LANGEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman.

Mr. LANGEN. I thank the gentleman for yielding. I want to take this opportunity to compliment him for the very excellent statement that he has made to the House today.

Mr. CURTIS. I thank the gentleman.

Mr. LANGEN. The wisdom he has shown with reference to this problem, I am sure, warrants the consideration of his views by every Member of this House.

Mr. Chairman, the bill before us today reminds me of those "who-done-its" we see on television, with the little statement at the end of the program proclaiming that "this story is true, only the names have been changed to protect the innocent." But in this case, only the dates have been changed to protect the innocent Members of Congress who refuse to face the issues involved on a permanent basis.

The Tax Rate Extension Act before us is the same as we have seen before. In fact, every year for some time now we enact this so-called temporary extension of the existing corporate normal-tax rate



and of certain excise-tax rates. Always for 1 year. Always evading the decision we some day must make.

I am particularly concerned this year, because this is a year when we have heard much about the desirability of cutting taxes to give the American people increased spending power. It just does not make sense to even consider the problems of taxation while we continue to extend emergency wartime taxes that should have been allowed to expire long ago or made permanent features of our tax program. The tax levies in the bill today will expire July 1 of this year, unless we take action before that time. So what we are actually doing is voting on a bill to increase taxes, which is strange behavior at a time when the administration advocates tax reduction.

We are told that it would be desirable to lower corporate tax rates this year. But this bill increases the corporate tax rate from 47 percent to 52 percent. This hardly appears consistent.

Turning to the list of products or services in this bill that would have their excise tax rates increased, I am a bit at a loss to explain the relationship or similarity of the items. I find it difficult to consider passenger cars and essential telephone services along with liquor and cigarettes. It seems to me that we have lumped essential services and luxuries under one great heading, perhaps for the purpose of making the bill easier to pass, since it is difficult to get anyone, including myself, to vote against an excise tax on such things as liquor and cigarettes.

The minority report on this bill, however, makes a good point in this respect. The State and local governments have long depended on liquor and cigarettes as items to be taxed to raise revenues. The Federal Government, through such emergency and temporary tax programs as this, have usurped many of the areas normally held to be available for local use. Many States would benefit from this added source if the Federal Government released its grip. In my native Minnesota, for instance, the price of cigarettes was raised this year by an additional cent a pack, and would undoubtedly welcome Federal removal from the scene.

From the standpoint of stimulating business, the auto manufacturers certainly would benefit if we allowed the 10 percent tax to fall to its normal 7 percent.

Perhaps the greatest injustice is in the excise taxes on telephone, telegraph, and related communications services. This 10-percent tax was imposed in 1941 to discourage the use of these essential services in time of war and to produce revenue for the emergency effort. But the effect now is to place these companies at a disadvantage in competing for business and capital by discouraging the public from using their facilities. It should not be necessary to point out that telephone service is a necessity, not a luxury like some of the other items in this bill. In fact, it is the only household utility subject to a Federal excise tax. To lump it together with cigarettes and alcoholic beverages is a gross injustice.

The tax on a household telephone bill in 1 year amounts to more than a whole month's average bill. This money could be put into circulation to spur the economy, and would enable the communications companies to expand and create jobs by encouraging the public to use their services.

Mr. Chairman, I urge my colleagues to take another look at this bill before us today and not to pass it out of yearly habit, but to give it long and proper consideration. If every item in this bill is absolutely necessary, then it should be incorporated into permanent tax revision. It makes no sense to talk tax reduction on the one hand and tax increase on the other without an overall plan.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that those Members desiring to do so may extend their remarks at this point in the Record on the pending legislation.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. McLOSKEY. Mr. Chairman, I listened with interest to the remarks of the distinguished gentleman from Missouri [Mr. CURTIS], and his most illuminating discourse on H.R. 6755.

In the hope that I am a responsible Member of this House and with a full understanding that if this Congress continues to vote increased appropriations then necessary revenues must be provided, it is most difficult to arrive at a proper decision as to how to cast a vote on this measure.

At the outset I wish to point out that from the very beginning of this session, I for one have consistently voted against excessive Government spending.

It is then with a clear conscience that I feel justified in voting against this bill. I agree with my colleague from Missouri that a yes vote for this bill in essence is voting for a tax increase.

The administration has been talking about a need for tax reductions; well, I feel this is an opportunity to assist the administration.

Furthermore, I agree with the gentleman from Missouri [Mr. CURTIS] there is a most critical moral obligation involved in this issue. These tax measures we are discussing today are tax rates which were sold to the American people as temporary measures.

I should like to ask when does a temporary measure become a permanent measure? How much longer are we going to continue to kid the American people?

If we are to reduce taxes then let us first reduce some of these so-called temporary taxes. Why vote to cut permanent taxes later in this session and at the same time vote today to extend temporary taxes.

This just does not make sense to me—it seems we are placing the cart before the horse. I agree the proposed budget for fiscal 1964 is already seriously out of balance and I suppose there will be those who will say if you vote against this bill you will throw the balance further out of balance.

In answer to this I should like to say if we cannot defeat appropriation bills

then perhaps if we defeat this bill we can slow down spending by shutting off revenues.

Because, I believe the defeat of this measure will help the small taxpayer.

Because, I believe the defeat of this bill will help release money for the expansion of business and industry, and last but not least the moral issues involved in the matter I feel compelled to vote no.

Mr. PELLY. Mr. Chairman, last February 25, on the occasion of the 50th anniversary of the 16th amendment, I made some remarks which in retrospect have some bearing on H.R. 6755 which provides a 1-year extension of the existing corporate normal tax rate and also of certain excise tax rates.

I said this:

When, Mr. Speaker, the 16th amendment to the Constitution was adopted, the deterrent to business and industrial expansion and growth by killing profit incentive began. I suggest that if the current movement to repeal the 16th amendment should prevail, the machinery of business in this country would start to hum and employment would increase as never before in the lifetime of any of us.

This statement which I have quoted along with some other similar remarks were interpreted, Mr. Chairman, by a possibly not too attentive representative of the press to mean I had announced myself for the repeal of the income tax. In fact, since then I frequently see myself listed as such. The trouble is no one has read the text of that speech carefully. But be that as it may, I did mean and I do clearly state that a substantial cut in the corporation tax would stimulate business.

President Kennedy has stressed the need for immediate tax reduction, yet he only proposes a cut in the corporate tax rate from 52 to 50 percent for the calendar year 1964 and a further cut to 47 percent for the calendar year 1965.

As to this latter proposal in my judgment it would take effect too late and would be far too little. But since the administration is unwilling to reduce Government expenditures so as to justify a tax cut I can see why it would follow a too little and too late policy.

Congress, I certainly hope, will take a different view and substantially reduce the President's budget of expenses. Already the House has made some major cuts and there seems to be a reasonable basis to hope that a net cut of several billions of dollars will result.

As I understand the full year effect of disallowing the extension of the tax rates in this bill is \$4.1 billion of which \$2.3 billion revenue loss would result from the corporate income tax. If this bill passes there would be little or no prospect of any immediate corporation tax cut. If the bill is defeated, on the other hand, any loss in Government revenue due to failure to extend present excise tax rates could be incorporated in a subsequent bill reported by the Ways and Means Committee, so what I am talking about and what I favor is a \$2.3 billion corporate tax cut.

Mr. Chairman, when similar legislation to extend the Korean war temporary normal tax rate has been considered in the past I have raised the

point that when business is taxed in excess of 50 percent, business in effect is more than 50 percent socialized. I have strongly opposed the continuation of this temporary emergency rate and accordingly I shall vote against the bill. I hope the bill will be defeated.

The Committee on Ways and Means is making a study of the entire tax picture and considering tax reforms and other complicated tax problems. I favor allowing the Korean war corporation taxes to expire as they were supposed to expire years ago. Defeat of this bill will give business a big boost and then next let us consider all angles to the tax picture in one omnibus tax reduction and reform bill. The 52 percent rate for a corporation is too high. I hope, Mr. Chairman, H.R. 6755 does not pass.

Mr. RYAN of Michigan. Mr. Chairman, we are here once more to perform our annual function of extending the taxes which were imposed to raise funds to help liquidate expenses incurred by the Korean war. This matter has been brought up for the last 10 sessions of Congress.

I know a lot of people want taxes reduced; all of us do. I also would like to see taxes reduced.

President Kennedy in his special message on tax reduction and reform stated:

Our economy is checkreined today by a war-born tax system at a time when it is far more in need of the spur than the bit.

In order that we may follow this line of reasoning I believe that the first step of Congress would be to remove the excise taxes which are due to expire on July 1, 1963. This is one means of placing additional money into hands of the ordinary taxpayer. The removal of these wartime excise taxes would enable the people of our country to purchase certain goods and services without the additional tax rates imposed on them by the present excise tax legislation.

It is my belief that tax reductions result in increased business profits which gives us more tax revenue. This is due to the fact that the elimination of taxes, no matter what they may be, gives the people of our country additional purchasing power and which in turn stimulates all phases of our economy.

Coming from the State of Michigan, particularly from an area which produces the largest number of automobiles, I am greatly concerned with the manufacturer's excise tax on the sales price of passenger cars, trucks, parts and accessories. If this Congress permits, and I hope it does, to have the automobile taxes revert to their previous levels, I am sure that the automotive industry will continue to have the high production which it presently enjoys.

I rise to record my protest against the extension of the 10-percent automobile manufacturer's excise tax. As you know, this discriminatory tax was increased from 7 to 10 percent in November 1951 and was added only as a temporary measure. On July 1, 1963, it will revert to 7 percent unless the House takes affirmative action to again extend it for the 10th time.

To be sure, the need for revenue still exists, but I believe that there are other

ways which are more equitable to raise revenue than through penalizing the Nation's No. 1 industry. With its related industries, the automotive industry employs one out of every seven workers in the United States. One of every six businesses is in the automotive field and approximately 22 percent of all retail sales are automotive.

The automobile, in our present state of economy, is no longer a luxury but a necessity, and it is shown by statistics that in many cases, one-car families of yesteryear are now two- and three-car families. The only justification that I can see for the continuance of taxes on automobiles is the cry "that we need the money."

Many other luxury items which are not required as a daily necessity to life are not taxed at the maximum rates. However, we are asked to extend the 10-percent automotive excise tax for another year.

For that matter, it is a well-known fact that price plays a leading role in an individual's decision whether he should buy an automobile or any other item. A high price may discourage a man who wishes to buy a new car but a lower price may be an incentive to him to purchase one.

It has been shown, in recent reports, that the average annual income of a new car buyer was in the neighborhood of \$7,500 to \$8,000. These persons bear the extra burden of taxation because they find it necessary to use their cars going to and from work, and for other essential purposes in their daily life, which is reflected in the additional tax which they must pay through the purchase of additional gasoline.

I think it is high time that we, as Members of Congress, take a long and closer scrutiny at the continued extension of these nuisance taxes. These taxes are a source of irritation as well as a burden to our businessmen. Taxes of this nature affect the taxpayers in all income brackets. I know that the taxpaying public is willing to withstand almost anything; however, I feel that their patience has reached the limit.

It is my belief that the automobile excise tax is not in the national interest, and I urge its prompt repeal.

Mr. HERLONG. Mr. Chairman, of course, none of us really enjoys asking the Congress to reenact these excise taxes, but the fiscal state of the country at this time demands that we take this action. There are some of these taxes that the committee should take another look at, at the earliest practicable moment.

The excise tax on communications which was originally designed to discourage the use of an essential service during wartime as well as to help raise revenues for the war effort is one of the taxes that should command our attention. This is one tax which if it is taken off will rebound directly to the benefit of the customer. There is no way that a regulated company can raise its rates and get the benefit of a tax reduction in this area.

In my judgment, the time has long passed when there should be any discouragement of the use of communications services, particularly now when the

effort of Government and industry is to increase the overall economic growth of the country.

The committee has from time to time considered the repeal of these taxes, but in every instance has acceded to the request of the Treasury officials to continue the tax unchanged because of the unfavorable effect of reducing revenues upon the Federal budget. Obviously, there will never be a time when any reduction of revenues will be acceptable to everyone. I shall, therefore, propose in connection with next year's bill, and I believe and trust the proposal will meet the approval of the members of the committee and of the Treasury, that beginning next year we reduce the 10-percent tax on communications 1 percent and that proportionate reductions be made each year thereafter until the tax is entirely removed. By adopting this method, the impact on Federal revenues will be minimal, as our natural growth will increase the Government's take enough to offset a 1-percent reduction in the tax.

Mr. HEMPHILL. Mr. Chairman, I am opposed to H.R. 6755 for a number of reasons.

This legislation extends taxes that were originally passed during the Korean conflict and have been extended on a year by year basis since the termination of that conflict; in keeping with the promises made during the Congress which imposed these taxes we should abolish the taxes because they were excise taxes and not supposed to extend beyond the Korean war.

If we have to depend on this sort of tax for revenue, and apparently we would, we should face the issue and either make the tax permanent or abolish it. In any event, we should meet the issue head on.

For many years now I have tried to accomplish the abolition of the tax on telephone service. This is the only public service which we do tax and the American people are entitled to have this tax on service exempted.

This tax bill came in under closed rule. All tax bills have been coming in under closed rule and it is my opinion that the American people are denied the right of full discussion by the use of the closed rule.

For these reasons I intend to vote against the tax as proposed.

Mr. FLYNT. Mr. Chairman, I intend to vote against this bill for two reasons:

First. The legislative history of this legislation is that H.R. 6755 involves taxes which were increased at the time of the Korean war for the specific purpose of raising the money to prosecute that war. The Korean war has been over for a decade.

Page 1 of the committee report No. 370, which accompanies H.R. 6755, makes substantially this statement.

Second. If it is necessary to retain the present high rates of these taxes for the operation of the General Government, it then would seem preferable to present legislation to make such taxes permanent or to let such taxes revert to pre-Korean war rates.

Mr. BAKER. Mr. Chairman, I yield myself 5 minutes.



Mr. Chairman, I join in commending the distinguished gentleman from Missouri for his excellent economic remarks. He is a student of economics, and has been a valuable member of the committee for the past 10½ years. I have the highest regard for TOM CURTIS. However, I shall vote contrary to him today. I will vote for this bill, as much as I would like to vote against it.

I will tell you why I am going to vote for it and why I urge you to do likewise.

No. 1, we are facing an \$11 billion deficit in fiscal 1964. If we do not pass this bill, you add \$3 billion to that. That is the first reason. As far as I am concerned, that is sufficient reason.

Our committee is in the process of reporting to this House a tax bill. Regardless of what many people are saying, you are going to have a tax bill. We will report it to you. I can speak only for myself, but I think I know something about it. We will report a tax bill to you I would say in the next 3 weeks. If it goes on as it is now it will be a good tax bill and I shall support it. I reserve the right to oppose it if a lot of things are put into it I think should not be put into it. So far we are getting along well with the tax bill. So my No. 1 reason for voting for the bill and recommending that you vote for it is that we cannot afford another \$4.2 billion deficit superimposed on that deficit.

The second reason is, if we do not pass this bill today, in my opinion you will not have any tax bill. There are two reasons. I say the second reason is that I do not believe the Committee on Ways and Means will report a bill to you or a general tax cut if this bill is defeated. I do not intend to, the way I feel about it. If I had my way, and we were not going to report to you a tax cut bill—which I am confident we will—and as I say, I am speaking only for myself, but I have been on the committee now 10½ years and I think I know a little something about it, what I would do in this bill; I would let the corporate rate drop from 52 to 47 percent. I would leave the distilled spirits at \$10.50 a gallon. I would leave beer at \$9 a barrel. I would leave the wines at the present rate of 11 percent. I would leave cigarettes at 8 cents a pack instead of reducing that, and I smoke them. I would reduce passenger cars from 10 to 5 percent. I would reduce automobile parts and accessories from 8 to 5 percent. I would cut out the telephone tax entirely, take the tax off entirely. And I would take off the tax on transportation of persons by air.

You may say I have certainly torn up the bill. Well, I have, but I am going to vote for the bill exactly as it is for the two reasons I gave.

As an individual member of the committee, may I say that we have worked for weeks and weeks and weeks on these tax matters. I think we started hearings the second week in January. We have heard two or three hundred witnesses in public hearings, the best economists and business people in America. We have been in executive session morning and afternoon for 8 or 10 weeks, something of the kind, and we have 3 more weeks of it. I say we are going to

have a good tax bill. I am going to make this prediction, still speaking personally, that we may bring you a tax bill here that will not cost you a dime.

We may bring you a tax bill here that will not cost a bit of revenue. In fact, I rather think we will, if we adopt the right kind of rate schedule and the right kind of phasing and timing, and some additional revenue measures that you will hear about later. We can well bring you a tax bill in the nature of a substantial tax cut with a new rate schedule for individuals and corporations that will not entail any revenue loss. Then over a period of 2 or 3 years, in my opinion, it would result in a gain of revenue of billions and billions of dollars. That is the history of it. When Canada cut their individual and corporate rates, in the very first year they collected more money than they did under the old rates. That happened just a few years ago.

With that, my colleagues, I will conclude, stating again that I shall vote for this bill and I hope you will do likewise.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Florida.

Mr. CRAMER. In order to make certain that the record is complete with reference to the observation made by the gentleman from New York [Mr. DEROUNIAN] with regard to the question of the President's statement and how he was going to have his way of getting another vote up on the Area Redevelopment Act, which was before the House yesterday, to me it is rather obvious how that can be done. Probably, what he is talking about are those bills that have already been introduced both in the House and in the other body which would increase the authorization for accelerated public works from \$900 million, in some bills, to \$1,400 million, a portion of which is Area Redevelopment Act and, therefore, would not require increased use of authorization. So I do not think there is any question about how it is going to be done.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman.

Mr. CURTIS. I simply wanted to pick up the one point you made, that if this were defeated, this would be the end of another tax bill. It may be. But I do not think so because the bulk of the losses in this bill, is \$2.4 billion, which is a 5-percent corporate tax cut, which, of course, would be part of the other bill. So I think we would be talking about the \$1.7 billion of excise losses which would be an alternate bill, I think. But I think there would be other reasons, if I might make that observation to the gentleman.

Mr. BAKER. I will agree with the gentleman except that we will unquestionably cut corporate rates if we cut individual rates.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to my colleague, the distinguished chairman.

Mr. MILLS. I want to ask the gentleman from Tennessee if he would not

agree with me, with those who see the possibility of some degree of expenditure control, or greater control through the vehicle of reducing revenues, that probably the better place to exercise that doctrine is with respect to a proposal that might come from the Committee on Ways and Means, making adjustments not only in the corporate rates but adjustments in individual rates as well rather than to do it here where we have a few selected excise taxes plus the 5 percentage points of corporate tax.

Mr. BAKER. I certainly do. With reference to the excise tax on cosmetics, for example—and I will get a plug in for the ladies here—that is a necessity of life and I would not want to repeal the tax on liquor and let the ladies still have to pay the tax on cosmetics. That would be unfair, discriminatory and highly unpopular.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Missouri.

Mr. CURTIS. I know that my colleague does not want to put me in the position of being against the ladies, but let me say to my chairman, that the difference is that these corporate taxes that we are talking about now were imposed temporarily. We have this moral issue and, certainly, from the economic standpoint we should cut off all excises. I agree. But these were considered together because they were put on temporarily for specific purposes.

Mr. BAKER. I think the cosmetics tax involves a moral issue too.

Mr. MILLS. Will the gentleman from Tennessee yield again to me?

Mr. BAKER. I yield to the distinguished chairman.

Mr. MILLS. I would like the attention of my friend, the gentleman from Missouri [Mr. CURTIS]. I am sure my friend from Missouri would agree with me that if we are reducing taxes for economic reasons there might be some that are not in this package.

Mr. CURTIS. Very much so.

Mr. MILLS. Some which would attract us more than those that are presently here; not all of them, but some.

Mr. CURTIS. I agree, but we have got the moral issue involved in this particular package.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, once again I rise to protest against that portion of this bill which extends for yet another year the automotive excise taxes on passenger cars, parts, and accessories and to voice my deep concern about our tax policies that are perpetuating inequity and, in my judgment, hold back economic growth and greater employment.

The extension of the temporary Korean war taxes has become an annual exercise to which we devote a day and then forget for another year. Our action reminds me of the hole in the roof: it cannot be patched while it is raining, and when the sun is shining there is no need to fix it. We cannot let go of

the money when we need it so badly to finance the Federal Government and when business and production are good, it is said there is no need to reduce taxes.

As usual, as part of this annual routine, we have another closed rule prohibiting any amendment which would permit the House to work its will with respect to the application of the individual taxes that this bill is extending on a take-it-or-leave-it basis. And also, as in past years, we find tobacco, corporations, automobiles, travel, liquor, beer, and wine all in the same tax barrel.

But if, over the years, extending these temporary taxes has become a routine matter, the climate in which we are considering the Tax Rate Extension Act of 1963 is a bit different from what it was when we passed the Tax Rate Extension Act of 1962. This year, the legislative environment is even more clouded with inconsistencies than before. There is more concern today about stimulating the economy, about tax reduction; yes, and about tax reform. You will recall that in his state of the Union message the President said:

It is increasingly clear that our obsolete tax system exerts too heavy a drag on private purchasing power, profits, and employment [and] now checks growth.

You will also remember that in his message he called for tax cuts of \$13½ billion to stimulate economic growth. But just 3 days later, in sending the budget to Congress, the administration asked that the discriminatory 10-percent temporary wartime excise tax on automobiles be extended for another year. Thus the administration is asking for tax cuts to spur the economy and simultaneously requesting the extension of a tax specifically designed to curtail production. This reasoning is beyond my comprehension. It is inconsistent for us to talk on one hand of our support of economic growth while on the other hand we continue repressive taxation through the annual extension of the automobile excise tax. To translate such an inconsistency into our jargon today I would say that we are in the middle of the countdown in a concerted effort to send our economy soaring—and now just before blast off—we are giving the signal to fire the retrorockets while we are still on the pad. How can we go forward and backward at the same time? If we are asked to cut taxes to perk up economic growth, how can we in reason, respond by extending and increasing selective taxes on our most important manufacturing community?

As you perhaps know, this tax was increased to 10 percent in November 1951 as a temporary measure and has been extended annually since 1954. If we do not extend it again today, it will, under present law, revert to 7 percent on June 30. As the minority views so logically point out on page 15 of the report:

Expiration of tax rate increases imposed temporarily for 2 years to meet a specific crisis cannot be properly referred to as tax reduction. Quite the contrary, any bill to continue these temporary rate increases can only be regarded as bills to increase taxes. If Congress does nothing the temporary increases expire as they were planned and promised, and the regular tax rates go into

effect again. Any action the Congress takes is action to increase the normal tax rates. So the bill before the House is a tax increase bill, make no mistake about it, just as the 10 bills which preceded it to continue the Korean wartime rates for just another year were tax increase bills.

May I remind those who are looking for congressional action to stimulate our economy, that the original purpose in increasing the automotive tax from 7 to 10 percent in 1951 was to divert our industrial capacity from the production of passenger automobiles to the needs of our war effort. It was the express intent to discourage demand and depress sales by increasing excise taxes.

I would like to outline briefly for the record the history of the Federal tax rates on new passenger automobiles from 1917 to date:

*Excise tax rate on manufacturer's selling price*

Effective date:	Percent
Oct. 4, 1917.....	3
Feb. 25, 1919.....	5
Mar. 28, 1926.....	3
May 29, 1928.....	—
June 21, 1932.....	3
July 1, 1940.....	3½
Oct. 1, 1941.....	7
Nov. 1, 1951, to date.....	10

But while the 10 percent auto excise tax has remained unchanged since the Korean war, Congress has since that time reduced or repealed numerous other so-called temporary taxes. In 1954, we reduced excise taxes on refrigerators, electric gas and oil appliances, jewelry, cameras, sporting goods, local telephone service, and many other items including general admission taxes. In 1958, we repealed the excise taxes on transportation of freight and the movement of oil by pipeline.

Last year, we repealed the 10-percent tax on rail and bus fares and reduced the 10-percent tax on air travel to 5 percent. The automobile is the principal consumer durable which is still subject to tax at its wartime rates. Twelve years will soon have elapsed since the current 10-percent rate was first imposed and 22 years have elapsed since the rate was increased from 3½ to 7 percent to meet the needs of World War II. The time is long overdue for a reduction in the wartime automotive excise taxes and rather than extending these rates for yet another year, today we should be reducing them. As the minority views of the report point out:

There is a moral obligation to remove tax rates which were sold to the people and to the Congress as temporary tax rates before the Congress can justifiably consider reducing rates which are part of our permanent tax laws.

Let me turn briefly to one of the most frequent arguments I hear against the reduction or repeal of this tax and that is what I call the good year argument. After all, some say, aren't automobile sales breaking records this year? I would like to meet this head on. Yes, it is true, and we should all be glad it is, automobiles are having a splendid year. In fact, this year is better than last and that was the best year since the alltime record of 1955. But let us look just a little beyond gross sales and see what this has meant to our economy, for the

Congress is deeply concerned with unemployment and its economic and social consequences. Yes, automobiles have had a good year, and you should know what this has done to eliminate unemployment. I asked the Secretary of Labor to designate the largest automobile producing centers in the Nation and compare unemployment today with unemployment 2 years ago. Here are the statistical facts the Secretary furnished.

*Total unemployment rate for major automobile manufacturing areas, March 1961 and March 1963*

	Unemployment rate		Percent drop
	March 1961	March 1963	
Trenton, N.J.....	8.2	6.5	1.7
Chicago, Ill.....	6.8	5.0	1.8
Allentown-Bethlehem-Easton, Pa.....	8.6	6.8	1.8
Indianapolis, Ind.....	6.3	4.3	2.0
Pittsburgh, Pa.....	12.7	9.4	3.3
Birmingham, Ala.....	8.7	5.4	3.3
Canton, Ohio.....	11.3	7.3	3.8
Toledo, Ohio.....	9.9	6.0	3.9
Akron, Ohio.....	9.3	5.3	4.0
Youngstown, Ohio.....	11.8	7.8	4.0
Cleveland, Ohio.....	9.6	5.5	4.1
Huntington-Ashland, W. Va., Ky.....	15.0	10.8	4.2
Kenosha, Wis.....	8.7	3.5	5.2
Lorain-Elyria, Ohio.....	12.0	6.0	6.0
Detroit, Mich.....	15.2	6.0	9.2
Lansing, Mich.....	14.8	3.7	11.1
Flint, Mich.....	23.3	2.9	20.4
U.S. average.....	7.7	6.3	1.4

Here we have a definite example of how automobile sales and production have spurred activity for the Nation's greatest economic community. Where I come from everyone is happy to have smoke coming from our factory chimneys. Our people want to work. They are glad to work. Last year was a good year. This is a good year. But what about next year? Can next year always be better than last? Will production fall off? And if it does, what will it mean to our national economy? The question is whether we are willing to surrender a relatively small amount of tax revenue in an effort to insure a high sales level and permit our economy to operate more freely or whether we are going to insist on keeping this emergency brake on, and then appropriate more funds to help mitigate the misery caused by our insistence to continue a depressive discriminatory tax. And when I speak of this tax as an emergency brake that is exactly what this tax is, a brake that Congress applied for a specific emergency. Sure it might mean the loss of some revenue; the committee report estimates the loss to be about \$450 million if we refuse to extend this tax. But think of the hundreds of millions we have authorized for unemployment compensation, job retraining, pump priming public work projects, for area redevelopment projects, and now we are talking about another CCC program, to help relieve unemployment? What is wrong with encouraging jobs? Is it not time we try to find and treat the cause of unemployment rather than to wait to deal with the effects of unemployment? It is fundamental that if prices are reduced, demand will be increased. Any page of any newspaper in the country



will tell you this. If cars are cheaper more will be sold and more will be made. This will have a ripple effect throughout the entire economy.

I would like to remind you again of the vital relationship of the automobile to the rest of our economy.

Automobile production utilizes 19 percent of all steel, 61 percent of all rubber, 32 percent of all zinc, 13 percent of all aluminum, 49 percent of all lead, and 58 percent of all upholstery leather sold in the United States.

One business in every six is automotive.

One of every five retail dollars is spent for automotive products.

That 11,600,000 people—1 of every 7 workers—are employed in highway transport industries.

That 74 percent of U.S. families own automobiles.

That 41 million persons rely daily on automobiles to get to work.

Before concluding may I direct attention to just how much it would cost to let this temporary tax expire. The Secretary of the Treasury states that we would lose \$430 million in revenue. The estimate in the committee report is a little higher—about \$450 million. But this would not all be lost. This amount would be freed for other purposes and flow in the channels of our economy rather than be siphoned off and sent to the Treasury. The chairman of the Joint Economic Committee recently pointed out that the best estimates presented to that committee were to the effect that the gross national product would be increased from three to four times the amount of any tax cut. This is called the multiplier effect. Applying this principle, if we did not extend the auto excise tax, the resultant increase in the gross national product would be from \$1.35 to \$1.8 billion. With taxes on this increase estimated at \$270 to \$360 million, it means that the estimated real loss of revenue to the Treasury would be from \$90 to \$180 million. To me this is a small price to correct a longstanding tax inequity and at the same time stimulate business by taking the emergency brake off the largest manufacturing operation in our country.

For years I have voted against the extension of the taxes contained in this bill, but with the qualification that my opposition did not apply to the taxes imposed on corporations, tobacco, beer, wine, and liquor. However, in view of the urgings of the President for tax relief to promote economic growth, I submit that we have now an opportunity to provide the impetus needed to trigger economic growth and expansion. In addition, we should have no reservations about relinquishing the tax on tobacco and liquor, for, as the minority views so well point out, these tax sources could promptly be used by the States to finance a great variety of State and local governmental activities—aid to education, for example. In my judgment there is no justification for extending any of the temporary taxes contained in this bill.

Being realistic, and mindful of the action of the Congress in extending these taxes in prior years, I say to my col-

leagues if we are to insist on retaining our excise taxes in their present form, it is time we have the courage to treat all manufacturing equally by enacting a general manufacturing excise tax which would fairly and equitably distribute the tax burden on all manufactured products rather than singling out the automobile to pull the bulk of the excise tax load. This would broaden the tax base beyond automotive products, permit a much lower tax rate, and provide greater stability in annual revenues. It is my hope that my colleagues of the Ways and Means Committee who are now considering tax reforms will give this their thoughtful consideration.

Mr. Chairman, I cannot reconcile the extension of this tax with the President's urgings for tax reduction. If tax reduction is to be a tool to spur our economy, to create jobs, to encourage investment, then here is a chance today for us to give the President what he has been asking for.

I urge you to join me in opposing the extension of all of these taxes.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield to the gentleman from Illinois [Mr. McCLODY].

Mr. McCLODY. Mr. Chairman, the debates on H.R. 6755 to extend various excise taxes demonstrate the need for increased budgetary responsibility on the part of the Congress. These haphazard efforts to manage the great fiscal business of the United States without any correlation of expenditures with revenues and without balancing outgo with anticipated income result in reducing the authority of the Congress under our system.

Legislation to create a Joint Legislative Budget Committee such as in H.R. 3964 would provide useful machinery for a return to the Congress of its constitutional authority and responsibility over governmental fiscal policy.

This proposed legislation would enable the Congress to review and revise fully the executive budget and to gage priorities in proposed expenditures. In addition, the Congress would be enabled by this legislation to establish a maximum figure above which executive spending would not be permitted.

The existing practice of considering appropriation bills independently of each other and without regard to revenues is disastrous to our Federal economy and solvency.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. SCHNEEBELI].

Mr. SCHNEEBELI. Mr. Chairman, on June 12, I introduced a bill—H.R. 7007—to amend section 151 of the Internal Revenue Code of 1954 to equalize the personal income tax exemption allowed for those who have attained age 65 or are blind.

Under existing law, an additional \$600 personal exemption is provided for a taxpayer, or his spouse, who is age 65 or is blind. However, the taxpayer who provides full support for a parent age 65, or a blind parent, is not allowed the additional exemption. This is manifestly inequitable.

Under my bill, an additional exemption will be allowed for those over age 65, or blind, both in the case of their own returns if they have taxable income, and in the case of the returns of other taxpayers where they do not have taxable income and are dependent upon those taxpayers for support.

In providing for an additional exemption for those taxpayers and their spouses who are over 65, or blind, the Congress recognized the additional financial needs of the aged and the blind. Those needs must be fulfilled regardless of whether the elderly person has a separate income or whether the support must be provided by others.

The taxpayer who supports an elderly parent must provide for such support from a single source of earnings. Where the elderly person, or the blind, has his own separate income, the burden on the family will not fall as heavily as in the case of a taxpayer who might be providing the income for the sole support of an elderly or blind parent. Therefore, it would seem that justice would require granting the additional \$600 exemption where the elderly or blind are dependents of a taxpayer who does not happen to be their spouse. My bill will accomplish this.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, we have heard a great deal of discussion lately about the need to improve the economic growth rate of our country. We have also been hearing much from spokesmen of the administration promising a tax reduction. In this legislation before the Committee today this same administration is seeking to raise taxes; and even more confusing and discouraging is the fact we are asked to raise taxes in an area that is certain to have a direct adverse effect on the economy and its growth potential.

Proponents of this measure would obscure the tax increasing aspects of the bill by terming it a mere extension of tax rates. In truth, it is a bill to raise taxes, for if we take no action these taxes would be reduced automatically. Thus, if we pass this bill, we will be adding a tax burden to our citizens through higher taxes than would otherwise apply.

Proponents of this measure have also indicated that these taxes are for just 1 more year and may even be reduced when and if the major tax package now in the Committee on Ways and Means takes effect. If this prospect exists, why create the confusion and uncertainty of this tax rate increase? This is not only bad tax policy, but it is a clear breach of faith with the American people. Year after year we have continued these so-called temporary wartime taxes by misleading our constituents into believing they would be removed after just 1 more year. On both this measure and the debt ceiling legislation we continue to apply the label of "temporary" and yet give virtually permanent effect to high taxes and high debt. By now I would think the American people must feel like the loyal fans of a losing ball club who are told by its coaches, "Wait till next

year," and next year never seems to come. And now, after putting up with this for so long, these same patient people are seeing the ball club being moved away through the administration promises for tax cuts in other areas. It seems to me much as it would to the long-suffering fans of a losing ball club that we ought to consider carefully our promises in this area before giving tax relief elsewhere.

The fact that we are being asked to raise these taxes instead of letting them lapse as we promised is bad enough. It is much worse when, as is the fact here, the taxes in question were designed for and have had the proven effect of acting as a depressant on our economy. These taxes when effected during the Korean war, were planned not only to raise revenue, but also to discourage mass consumer buying of many products. And they have had precisely that effect. This was not fully realized until the late 1950's when our economic growth rate began to slow up, but it has had a direct effect in retarding this Nation's growth in recent years. Yet this administration, while nominally pledged to get this country moving again comes here today and asks us to enact a measure that will impede if not actually reverse the current upward trend of the level of economic activity—hesitant though it may be. This to me, and I am sure to many others, appears inconsistent and illogical. Here we have a chance, by not increasing these taxes to give a great shot in the arm to our economy. This boost would not involve economic gimmickery. It would have immediate effect of substantial benefit. It would spur both consumer spending and corporate investment and expansion, and it would give tax relief to virtually all segments of our economy. Yet we are being asked by this administration, at a time when our economy may be reaching a make-or-break point in its upward turn, to take the deliberate step of putting on the brakes and feeding a proven depressant back into the economic mainstream for 1 more year. We have heard much talk of this being a do-nothing Congress to date. Yet here we have a chance to accomplish something by doing nothing and we are suddenly asked to get moving. If we pass this bill we will be moving all right—backward and downhill.

Mr. Chairman, let us now examine some of the specific provisions of this tax increase bill. We are once again being asked to raise the corporate normal tax rate from 25 to 30 percent, and thus the maximum rate on corporate income would be 52 percent instead of 47 percent. It has long been argued by many Members of this body, myself included, and it is now conceded by the administration and others, that this high rate of corporate taxation has been one of the greatest, if not the greatest, contributing factor to the retardation in economic expansion. It has forced many corporations to cut back employment, limit expansion, and continue to operate obsolete equipment leading to lack of ability to compete in the marketplace. A great deal of the unused plant capacity and high permanent unemployment in this

country can be traced directly to this high corporate tax rate which discourages and inhibits expansion of job creating and job maintaining investment on the part of this Nation's business.

Further, this normal tax burden falls on all corporations, unlike the surtax burden which applies only to larger ones. Thus this tax rate, if we let it lapse, would have a maximum breadth and depth of economic effect and could doubtless do a great deal to cure the high unemployment rate and the unsatisfactory growth rate of the country. Instead we are told to wait until some future unspecified date when a major tax package may be brought forth before doing anything about the corporate tax rate. If we follow this counsel we are making the opportunity to boost this Nation's economy wait upon the uncertainties of politics, when by simply doing nothing, we could effectuate a great spur to the economy. It just does not make sense. If this cut in corporate tax rates is needed, as we have been told by the administration, why not effectuate it now?

We have seen a somewhat encouraging upturn in our economy recently. Yet, and this is vitally important, we are rapidly approaching a critical point. Either the economy will move upward, or it will falter and perhaps slide back. We have an opportunity now to virtually guarantee a strong upsurge by doing nothing by just letting the presently scheduled tax reduction occur. By the time we get around to taking any positive action, it could well be too late. Don't misunderstand me, I am not crying gloom and doom. All I am saying is that we do have an opportunity at this time to follow a positive policy to strengthen and continue the upward move of our economy, and I am opposed to action that would miss this chance and depend on the uncertainties of actions that may or may not be taken later.

Of particular concern to the people of my district and the State of Michigan is the proposed increase once again of the excise taxes on passenger cars and automotive parts. This is perhaps the most odious and nonsensical part of this bill. I speak as a representative of the people of Michigan, and what I have to say applies on a nationwide basis. The automotive industry is a bellweather of our economy. This has been shown time and time again. When the car business is hurting, the Nation's economy hurts, too. And when, as is now the case, the automobile business is staging a recovery it has nationwide effect.

I am sure that all of you are aware that the current upswing in the automotive industry has had a great deal to do with the current rise in the Nation's economy. This is a natural result when you consider some of the following facts. This industry provides over 6 million jobs in the production, distribution, and service of its products and constitutes some 10 percent of the Nation's gross national product. It consumes over 21 percent of all steel, 62 percent of all rubber, 11 percent of all aluminum, 47 percent of all lead, and 35 percent of all zinc used in this country. It consumes vast amounts

of textiles and electrical products. One business in every six in the country is dependent on this industry. The automobile today is a virtual necessity to the American family. Much of the growth of this country, economically and in many other ways, can be traced directly and indirectly to advances in the automobile industry. Thus the adverse effects of the automotive excise taxes are widespread and of major importance. Yet this is the only major consumer durable that still remains subject to the special wartime rates we are concerned with here today. This special tax amounts to over a half billion dollars a year. And its effect is born by the little man, by the consumer, and is felt directly and indirectly on a huge scale nationwide.

The time has long since passed when this tax should have been allowed to die and be buried. We have witnessed recently a heartening recovery in the automobile industry. Think for a moment what this means to your hometown. Even if, as is likely the case, cars may not be manufactured in your district, think of how many businesses are dependent on the use and service of automobiles. Think of how many jobs are directly involved in these businesses. And then think of how many more are in turn dependent on the health of those businesses for their own economic survival and health. Yet, today you are asked to once again increase this excise tax on passenger cars and automotive parts. You are asked to discourage and blunt this recent upswing in the automotive industry. You are asked to take this action when by doing nothing you could contribute this economic benefit to all those businesses and jobholders to which I just referred. Viewed in this light, H.R. 6755 does not make much sense, does it? We have heard so often the argument that consumer spending must be given priority in tax policies aimed at economic growth. Yet, here we have a chance to bolster the purchasing power of the consumer in a vital industry and you are asked to extend once again this illogical, so-called temporary wartime tax depressant.

There are doubtless, as the minority report points out, many Members who would hesitate to vote against this bill because of the alcohol and cigarette taxes involved. Nonetheless, may I again emphasize that on the State level, taxation of these products provides a great deal of revenue used for essential government functions. Undoubtedly, were these taxes allowed to lapse, many States would fill the gap in order to gain needed revenue for their school systems and other services. For these reasons I shall not hesitate to vote against raising these taxes again.

Mr. Chairman, in conclusion, it seems to me that this bill clearly points out the inconsistencies in the current position of the administration. Indeed, as I pointed out earlier, it almost seems to prove that the administration is suffering from some strange economic and fiscal schizophrenia. Here we have an opportunity, with minimal revenue loss and no economic gimmickery, to give a



badly needed shot in the arm to our economy. It would apply both to consumer spending and business investment and would have a maximum nationwide effect of great significance. And we can achieve these results by doing nothing; by simply letting these taxes die as we have long promised. I think it is incumbent on us to do just that, not only for the vastly beneficial economic results, but as a matter of keeping faith with our constituents. I invite each Member to exercise good sense and good faith by voting against H.R. 6755.

Mr. Chairman, I rise in opposition to the legislation before us today principally because of the fundamental things that are involved. A short time ago the Congress was informed by the administration that they were going to present, which they did, a proposal providing a tax cut for the taxpayers of this Nation. Today we are becoming involved with not a tax cut but a tax increase.

Mr. Chairman, many people may passionately disagree with me in my philosophy as far as the tax cut is concerned, but this is an extension of taxes that has an expiration date. That expiration date is June 30, 1963. Over the years we have constantly, from the days of the Korean war, extended these excise taxes that amount to \$4.1 billion.

These are taxes upon the people of this Nation. I cannot conceive how an administration can inform the people of this Nation with their left hand that they are going to give them a tax cut, and the next day with their right hand they are going to tell the people we must increase and extend the taxes which were imposed as a deterrent to spending, and also in order to finance the Korean conflict.

I was a Member of Congress back in 1953 at the time that the Korean conflict was at least temporarily halted and agreements were reached, and through all of these 10 or 11 years since then we have continually extended taxes that were levied for a specific purpose. That was because of the high cost of the Korean conflict and to discourage people from spending money in certain fields. I do not believe that the people of this Nation should be continually obligated to pay taxes that were levied for a specific purpose that no longer exists. I do hope in all good conscience that when the House votes today they will adhere to the recommendation of the President of the United States that their constituents are entitled to a tax cut, and this is the place where the tax cut should take place.

This is not just favoring a special few, but it favors all of the people who are in the market today making purchases of all of the commodities that are affected by the excise taxes. One of the great problems I have, and I think we all have, is with the tax that is levied today on the automotive industry. This is a tax that is levied at the rate of 10 percent, and 3 percent of that was extended because of the Korean conflict. This 3 percent tax on passenger automobiles alone amounts to almost a half a billion dollars. In fact it amounts to about \$460 million.

This is a direct tax savings that would go to the consumer because the consumer is the individual who has to pay the tax. I did my utmost in the committee to try to get this 3-percent tax eliminated and not extended. Unfortunately for the people of the Nation I was not successful in my attempt, but today I am going to vote my convictions and vote against this tax in order that the people of this Nation may have their tax burden reduced.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I have no further requests for time.

Mr. MILLS. We have no more requests for time, Mr. Chairman.

The CHAIRMAN. Under the rule the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments to the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6755) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, pursuant to House Resolution 396, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CURTIS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CURTIS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CURTIS moves to recommit the bill H.R. 6755 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

The question was taken; and the Speaker announced that the "ayes" had it.

Mr. CHAMBERLAIN. Mr. Speaker, I make the point of order that a quorum is not present and object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 283, nays 91, not voting 58, as follows:

[Roll No. 81]  
YEAS—283

Abbott	Gilbert	O'Hara, Mich.
Addabbo	Gill	Olsen, Mont.
Albert	Glenn	Olsen, Minn.
Arends	Gonzalez	O'Neill
Ashley	Grabowski	Osmer
Ashmore	Gray	Passman
Aspinall	Green, Oreg.	Patman
Auchincloss	Green, Pa.	Patten
Avery	Griffin	Perkins
Baker	Griffiths	Pike
Baldwin	Hagan, Ga.	Pirnie
Barrett	Hagen, Calif.	Poage
Bass	Haley	Poff
Bates	Halleck	Pool
Beckworth	Halpern	Price
Belcher	Hanna	Pucinski
Bell	Harding	Purcell
Bennett, Fla.	Hardy	Quillen
Bennett, Mich.	Harris	Randall
Betts	Harvey, Ind.	Reifel
Blatnik	Harvey, Mich.	Rhodes, Ariz.
Boggs	Hawkins	Rhodes, Pa.
Bolton	Hays	Rivers, Alaska
Francis P.	Healey	Roberts, Ala.
Bonner	Hechler	Roberts, Tex.
Bow	Henderson	Rodino
Brademas	Herlong	Rogers, Colo.
Brock	Holland	Rogers, Tex.
Brooks	Horan	Rogers, Tex.
Brotzman	Hosmer	Rooney
Brown, Calif.	Huddleston	Roosevelt
Broyhill, Va.	Hull	Rosenthal
Burke	Ichord	Rostenkowski
Burkhalter	Jarman	Roush
Burleson	Jennings	Roybal
Byrne, Pa.	Joelson	Ryan, N.Y.
Byrnes, Wis.	Johnson, Calif.	St Germain
Cahill	Johnson, Wis.	St. Onge
Cameron	Jones, Mo.	Schneebeli
Cannon	Karsten	Schweiker
Carey	Kastenmeier	Secrest
Casey	Kee	Senner
Celler	Keith	Shelley
Chelf	Kelly	Shipley
Clark	Keogh	Shriver
Cohelan	Kilburn	Sibal
Colmer	Kilgore	Sickles
Cooley	King, Calif.	Sikes
Corbett	Kluczynski	Sisk
Corman	Kornegay	Slack
Cramer	Kunkel	Smith, Iowa
Curtin	Laird	Smith, Va.
Dague	Landrum	Springer
Daniels	Lankford	Stafford
Davis, Ga.	Leggett	Stagers
Dawson	Lennon	Steed
Delaney	Lesinski	Stephens
Dent	Libonati	Stratton
Denton	Lloyd	Stubblefield
Diggs	Long, Md.	Sullivan
Dingell	McDade	Taft
Donohue	McDowell	Talcoff
Dorn	McFall	Taylor
Dowdy	Macdonald	Teague, Calif.
Downing	MacGregor	Thomas
Dulski	Madden	Thompson, N.J.
Duncan	Mahon	Thompson, Tex.
Dwyer	Mailliard	Thornberry
Edmondson	Marsh	Toll
Edwards	Martin, Nebr.	Trimble
Ellsworth	Mathias	Tuck
Everett	Matsunaga	Tuten
Evins	Matthews	Udall
Fallon	May	Ullman
Farbstein	Meador	Van Deerlin
Fascell	Milliken	Vinson
Feighan	Mills	Waggonner
Findley	Minish	Walahauser
Finnegan	Montoya	Watson
Fisher	Moorhead	Watts
Flood	Morgan	Weltner
Fogarty	Morris	Whalley
Ford	Morrison	White
Fountain	Morse	Whitten
Fraser	Morton	Wickersham
Frelinghuysen	Moss	Widnall
Friedel	Murphy, Ill.	Williams
Fulton, Pa.	Murray	Willis
Fulton, Tenn.	Natcher	Wilson, Bob
Fuqua	Nedzi	Wilson,
Gallagher	Nix	Charles H.
Garmatz	Nygaard	Winstead
Gary	O'Brien, Ill.	Wright
Gathings	O'Brien, N.Y.	Young
Glaime	O'Hara, Ill.	Zablocki

NAYS—91

Abele	Barry	Beermann
Adair	Battin	Berry
Ashbrook	Becker	Bray

Bromwell	Horton	Reid, N.Y.
Broomfield	Hutchinson	Rich
Broyhill, N.C.	Jensen	Robison
Bruce	Johansen	Roudebush
Burton	Jonas	Rumsfeld
Chamberlain	King, N.Y.	St. George
Clancy	Knox	Saylor
Clausen	Kyl	Schadeberg
Cleveland	Langen	Schenck
Curtis	Latta	Schwengel
Derounian	Lipscorn	Short
Derwinski	Long, La.	Siler
Devine	McClary	Skubitz
Dole	McCulloch	Smith, Calif.
Fino	McIntire	Snyder
Flynt	McLoskey	Stinson
Foreman	McMillan	Thomson, Wis.
Goodell	Martin, Calif.	Tollefson
Goodling	Michel	Utt
Gross	Miller, N.Y.	Weaver
Grover	Moore	Westland
Gubser	Nelsen	Wharton
Gurney	O'Konski	Wilson, Ind.
Hall	Ostertag	Wylder
Harrison	Pelly	Wyman
Hemphill	Pillion	Younger
Hoeven	Quile	
Hoffman	Reid, Ill.	

## NOT VOTING—58

Abernethy	Forrester	Pepper
Alger	Gavin	Philbin
Anderson	Gibbons	Pilcher
Andrews	Grant	Powell
Ayres	Hansen	Rains
Baring	Harsha	Reuss
Boland	Hébert	Riehlman
Bolling	Hollifield	Rivers, S.C.
Bolton	Jones, Ala.	Ryan, Mich.
Oliver P.	Karth	Scott
Brown, Ohio	Kirwan	Selden
Buckley	Lindsay	Sheppard
Cederberg	Martin, Mass.	Staeblar
Chenoweth	Miller, Calif.	Teague, Tex.
Collier	Minshall	Thompson, La.
Conte	Monagan	Tupper
Cunningham	Mosher	Vanik
Daddario	Multer	Van Pelt
Davis, Tenn.	Murphy, N.Y.	Whitener
Elliott	Norblad	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Ryan of Michigan against.

Mr. Kirwan for, with Mr. Baring against.

Mr. Riehlman for, with Mr. Harsha against.

Mr. Mosher for, with Mr. Gavin against.

Mr. Lindsay for, with Mr. Tupper against.

Mr. Oliver P. Bolton for, with Mr. Collier against.

Mr. Sheppard for, with Mr. Alger against.

Until further notice:

Mr. Daddario with Mr. Anderson.

Mr. Abernethy with Mr. Norblad.

Mr. Karth with Mr. Conte.

Mr. Buckley with Mr. Van Pelt.

Mr. Elliott with Mr. Cunningham.

Mr. Pepper with Mr. Ayres.

Mr. Hollifield with Mr. Martin of Massachusetts.

Mr. Teague of Texas with Mr. Cederberg.

Mr. Thompson of Louisiana with Mr. Brown of Ohio.

Mr. Rains with Mr. Chenoweth.

Mr. Multer with Mr. Forrester.

Mr. Staeblar with Mr. Rivers of South Carolina.

Mr. Miller of California with Mr. Powell.

Mr. Andrews with Mrs. Hansen.

Mr. Murphy of New York with Mr. Scott.

Mr. Vanik with Mr. Pilcher.

Mr. Boland with Mr. Davis of Tennessee.

Mr. Philbin with Mr. Reuss.

Mr. Monagan with Mr. Grant.

Mr. Whitener with Mr. Selden.

Mr. Jones of Alabama with Mr. Minshall.

Mr. Latta and Mr. OSTERTAG

changed their votes from "yea" to "nay."

Mr. DINGELL. Mr. Speaker, how is

the gentleman from Michigan [Mr.

RYAN] recorded?

The TALLY CLERK. He voted "aye."

Mr. DINGELL. Mr. Speaker, the gentleman from Michigan [Mr. RYAN] is unavoidably detained elsewhere on official business. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## LEGISLATIVE PROGRAM FOR WEEK OF JUNE 17, 1963

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute for the purpose of inquiring of the majority leader as to the program for next week and what the plans are for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. ALBERT. We have completed the legislative business for this week and, if we get leave of the House, we will adjourn over until Monday after announcing the program.

The program for next week is as follows:

On Monday, the Consent Calendar will be called.

There are five bills to be considered under suspension on Monday, as follows:

House Joint Resolution 467, to amend section 221 of the National Housing Act to extend for 2 years the authority of the Federal Housing Administration.

H.R. 3517, administrative expenses of retired Federal employees health benefits.

H.R. 5377, to provide coverage under the Civil Service Retirement Act for the Architect of the Capitol and his employees.

H.R. 5932, to extend Federal employees' health and group life insurance benefits to certain teachers of the District of Columbia.

H.R. 4638, Presidential Transition Act of 1963.

On Tuesday the Private Calendar will be called.

Also, on Tuesday, we will take up the 1964 appropriation bill for the Departments of State, Justice, and Commerce and the judiciary.

On Wednesday and the balance of the week, there will be considered House Joint Resolution 247, suspension of equal-time provisions of the Communications Act for the 1964 presidential campaign. This is under an open rule, with 1 hour of general debate. There will also be taken up H.R. 4347, construction of Veterans' Administration hospitals. This is also under an open rule, with 1 hour of debate.

Of course, this is made subject to the usual reservation that any further program may be announced later, and con-

ference reports may be brought up at any time.

Will the gentleman yield further for the purpose of making a unanimous-consent request?

Mr. HALLECK. Mr. Speaker, I yield to the gentleman.

## ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, but that last bill on suspensions, did the gentleman say "Presidential transition" there?

Mr. ALBERT. The gentleman is correct. Presidential Transition Act of 1963.

Mr. GROSS. Is this in preparation for an outgoing President in 1964?

Mr. ALBERT. This has nothing to do with any outgoing President. This is a 1963 act.

Mr. GROSS. Then we really do not need this legislation if you are not planning to change Presidents.

Mr. ALBERT. We are making no plans of that kind. The gentleman is 4 years off in his arithmetic.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS NEXT WEEK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that business under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## MENTAL RETARDATION

Mr. CAREY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CAREY. Mr. Speaker, I am pleased to join with the gentleman from Rhode Island [Mr. FOGARTY] in introducing three bills in the field of mental health and mental retardation. I hold, as he does, that this approach dealing effectively with separable areas of legislation serves to smoothly and swiftly advance toward a common goal in the service of a pressing need.

The first of these three bills relates to a greatly increased maternal and child health and crippled children's program. The second concerns the construction of clinical and service centers for the mentally retarded in the community, and the construction of research centers and



mental retardation facilities that are affiliated with university and medical school programs. The third contains provisions for the training of teachers of the mentally retarded and for research and demonstration projects relating to the education of mentally retarded children.

The bills being detailed in the RECORD by the gentleman from Rhode Island [Mr. FOGARTY]—I shall not dwell at length on context—however, Mr. Speaker, I must earnestly commend to the membership of the cognizant committees the need for early consideration and approval of these individual bills. I would also call the attention of my colleagues to my remarks in the RECORD on March 19, 1963, which is a comprehensive analysis of this field of legislation.

Certainly the gentleman from Rhode Island is to be commended on his long history of dedication. It is only fair to state that there is no other Member of this House whose contribution has been so vast and unique.

In these areas of critical national impact, one might even say tragic neglect, there is a demonstrated requirement for action programs.

President Kennedy in a special message clearly enunciated the crucial need. I believe this legislation will focus the Nation's resources on the problem and begin to solve the medical, social, and economic burdens caused by mental retardation. The keynote is action and the time is now.

#### REQUEST TO EXTEND AT THIS POINT

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. JONES of Missouri. Mr. Speaker, I object.

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. JONES of Missouri. Mr. Speaker, I object.

#### FREEDOM SEASON CELEBRATION

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, once again this year the citizens of Woodland Hills, Calif., are conducting a freedom season celebration, from June 14, Flag Day, through July 4, Independence Day. During this period the people of the community rededicate themselves to the principles on which our country is

founded and the institutions which are the bases of our democracy.

There will be many public and private events to carry out the theme, "I Am Glad To Be an American." On June 15, the San Fernando Valley Male Chorus will present a program "Let Freedom Sing." The Kiwanis Club is sponsoring a home decoration contest. There will be a children's parade on June 29, and the festivities will be climaxed by an old fashioned Fourth parade and fireworks on July 4.

Mr. Speaker, there are some persons and groups which have twisted the patriotism of their fellow citizens to their own selfish and destructive ends. I deplore the actions of these super patriots who in reality are subverting the ideals of our Nation. Such efforts are markedly different from the genuine pride and joy in our heritage shown by the citizens of Woodland Hills. I heartily endorse the freedom season and congratulate Richard Tisch, William Tyson, Walter Carlson, and those who have joined with them in organizing and conducting this celebration. These events demonstrate to all that the true brand of American patriotism is a force for social justice and economic progress.

#### HANFORD ELECTRIC POWER GIVEN PREFERENCE OVER CIVIL RIGHTS AND NATIONAL SECURITY

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, in my speech in this House on May 7, 1963, and again on May 20, 1963, I charged that for political expediency the Kennedy administration had deliberately provided for violation of or noncompliance with a specific requirement of law relative to the equal-employment-opportunity portion of its civil rights program, in some 78 Federal contracts relating to the new production reactor powerplant at Hanford, Wash. This charge still stands and the facts of record fully substantiate it.

I also said that in my opinion the Hanford power contracts were illegal in that they provided for a violation—or noncompliance—with existing law. Certainly, this conclusion is elementary, as no Federal agency can legally execute a contract that specifically provides for evasion of or non-compliance with a provision of existing law.

#### DOUBLE STANDARD FOR CIVIL RIGHTS ADMINISTRATION

With the press full of Kennedy administration expressions of concern for civil rights and the need for additional legislation on the matter, on one hand, and a deliberate failure to enforce the law in the Hanford power contracts, on the other hand, there is raised a serious question of a double standard of administration.

In delving into this matter, I came across another phase of the Hanford deal that is even more serious than the provi-

sion for noncompliance with a civil rights law, and that is the apparent neglect of the national defense posture of this Nation in deference to promotion of the Hanford powerplant. I shall discuss this at some length further on in my speech.

After I delivered my May 7, 1963, speech, I was told that a prominent protagonist of the Hanford power deal would attempt to answer my charges. I then prepared my May 20, 1963, speech, setting forth a number of points that must be considered by anyone foolish enough to attempt to deny my charges.

On May 23, 1963, a futile attempt was made on pages 9224-9225 of the CONGRESSIONAL RECORD, to refute my charge and to explain away the deliberate actions to nullify a provision of existing law when the extension of the bureaucratic power empire was threatened. In this diatribe, my charges were referred to as "specious" and "wild and completely false."

#### LET'S LOOK AT THE RECORD

My answer to this is, "Let's look at the record" to see who is guilty and who has been guilty over the years of using specious reasoning, half-truths, and wild and completely false statements, in the promotion of this Hanford powerplant deal.

In my May 20, 1963, speech I listed nine points I felt must be referred to in any attempt to refute my charges of a conspiracy to evade an existing law.

First point: The proposed Hanford contracts as presented to the Congress prior to the passage of the authorizing act included a nondiscrimination section exactly as required by law, as embodied in Executive Order No. 10925 relative to equal employment opportunity. These contract drafts thus became a part of the legislative history of the AEC Authorization Act of fiscal year 1963.

The Hanford protagonist admits this to be true but claims that the addition of a subsection which provides for noncompliance with a specific requirement of existing law is not a material departure from the contract originally submitted.

I believe every honest person would agree that an addition to any contract which provides for noncompliance with existing law is a material departure from a contract that provides for strict compliance with the law. Headlines in the Portland Oregonian early this year indicated there was material concern in the matter as follows:

#### RACE ISSUE SNAGS SALE OF POWER—CONTRACT CLAUSE WOULD CANCEL BUYER'S PACTS

Peaceful harnessing of the power output of the Hanford Atomic Works has been snagged on an antidiscrimination question.

A spokesman for the U.S. Department of Interior in Washington Thursday night confirmed by phone what the Oregonian has been hearing for several days:

That there can be no contract between the Atomic Energy Commission and a developing-operating agency for Hanford power until an antidiscrimination penalty clause is modified.

At stake is the estimated 800,000-kilowatt production of the Hanford pile. Customers are to be 5 investor-owned utilities and some 60 municipal and publicly owned power companies.

Under the arrangements, authorized by Congress, the atomic power will be developed by a corporation set up by public power agencies in the State of Washington known as Washington Public Power Supply System. WPPSS will finance the project with revenue bonds, and the security for the bonds would be contracts for sale of power.

#### EXEMPTION—YES; MODIFICATION—NO

Second point: A complete reading of Executive Order No. 10925 discloses that while exemption from application of the order can be granted under specified conditions, no provision is made for any modification of the requirements of the order. Exemption, yes; modification, no.

The Hanford protagonist's answer to this was:

The charge that the order permits only an exemption and not a modification is hardly worthy of comment. A grant of authority to exempt a contract from all the provisions of the order obviously includes authority to make a partial exemption.

I am sure the Hanford protagonist would like to be able to dismiss the matter with a hardly-worthy-of-comment phrase. His comment that "A grant of authority to exempt a contract from all the provisions of the order obviously includes authority to make a partial exemption" is specious reasoning in the extreme. The law in question is very specific. It says:

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order.

Certainly, there is no grant of authority here to provide for partial compliance. If such were intended or desired, the first sentence of section 303 would have read:

The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions, or any portion thereof, of section 301 of this order in any specific contract, subcontract, or purchase order.

But no such modification provision is in the law. Chaos would certainly result if every law of the land were permitted such loose interpretation. I realize, of course, that loose interpretation of the laws to suit its political expedients is a stock in trade of the New Frontier.

#### BANKERS OPPOSE NON-DISCRIMINATION SECTION OF HANFORD POWER CONTRACTS

Third point: The bankers advised Washington Public Power Supply System and/or Bonneville, that inclusion of the nondiscrimination section of the equal employment opportunity law in the contracts as proposed would result in failure to sell the bonds or, if sold, only at high discount rates.

The Hanford protagonist freely admits this to be true.

Fourth point: After receiving the bankers' advice as noted in my third point, discussions were had with and a request was made of the President's Committee on Equal Employment Opportunity for an outright exemption of the Hanford contracts from the appli-

cation of the equal employment opportunity law as prescribed by Executive Order No. 10925. This requested exemption was denied.

The Hanford protagonist made no direct reference to this point.

#### CIVIL RIGHTS PENALTY PROVISION SACRIFICED FOR POWER

Fifth point: Faced with failure to finance the Hanford power project as a result of the denial for exemption from the equal employment opportunity law, the Hanford power project proponents had to come up with some other scheme. The result, as the record shows, was the decision to insert an additional subsection in the nondiscrimination section of the contracts, that provided for non-compliance with a penalty provision of the law under which the contracts could be canceled.

The Hanford protagonist admits the truth of this fifth point. He erroneously says that the action to provide for noncompliance with the cancellation provision of the law was made pursuant to a procedure which the Executive order itself provides. As indicated earlier, the language of the Executive Order No. 10925 does not make provisions for such a partial exemption from section 301. It is an attempt to read into the law something not therein provided.

#### PRESIDENT'S COMMITTEE NOT CONVENED

Sixth point: Did the President's Committee on Equal Employment Opportunity, which is charged with the administration and enforcement of the law under Executive Order No. 10925, approve this decision to add the noncompliance-with-the-law subsection of the Hanford contracts? I understand that the Committee did not approve this action.

The truth of this sixth point is confirmed by a letter from Dr. Seaborg, Chairman of the Atomic Energy Commission, advising that they had asked Mr. Taylor, Executive Vice Chairman of the President's Committee on Equal Employment Opportunity whether the President's Committee was convened to consider the addition to the contract that provided for the non-compliance-with-the-cancellation provision of the law. Dr. Seaborg's letter said:

Mr. Taylor stated that the Committee was not convened to discuss the question.

Of course, it was obvious to Dr. Seaborg that there had been no such convening of the Committee, as Dr. Seaborg is a member of that Committee.

#### NONCOMPLIANCE A NEW ROLE FOR AEC

A reading of Dr. Seaborg's letter of January 9, 1963, to Mr. Taylor gives me the impression that Dr. Seaborg was not too happy about having to endorse Secretary Udall's request for noncompliance with a portion of Executive Order 10925. Here is one quotation from his letter:

The Atomic Energy Commission, throughout all of its operations, has assiduously pursued the objectives of Executive Order No. 10925. We have believed that the AEC had an important responsibility in carrying out the policies of the Federal Government directed toward equal employment opportunity, since its activities extend into every part of the United States and because its

contracts with a wide variety of organizations run into the hundreds of millions of dollars. Notwithstanding the broad impact upon the AEC program, no exception to the policy set forth in the Executive order or to the rules and regulations of the President's committee has heretofore been sought.

#### EXECUTIVE VICE CHAIRMAN TAYLOR ACTED UNDER PRESSURE

A perusal of copies of the letters referred to in the Hanford protagonist's statement indicates that the Executive Vice Chairman's acquiescence to the importuning of the Secretary of the Interior and a member of Interior's legal staff for fast action was based on a naive reliance on the representations of the Federal agencies involved as to what constituted special consideration in the national interest.

Seventh point: No contract, whether Federal or non-Federal, that provides for evasion of or noncompliance with the law is a valid contract.

Ninth point: Any bond issue based on illegal or invalid contracts would also be invalid.

The Hanford protagonist does not and cannot deny the evident truth of these two points.

Eighth point: The actions taken with regard to the Hanford power contracts and the nondiscrimination section of the equal employment opportunity law all add up to a conspiracy to evade the law.

The Hanford protagonist takes the position that the actions taken by various public officials were in accordance with the law. With this we cannot agree.

#### CONSPIRACY TO EVADE LAW

I think it now time to discuss some of the fallacious reasoning of our Hanford protagonist and of the various administration officials who took part in what I claim was a conspiracy to evade the law when faced with a possible inability to finance the Hanford power project. Our Hanford protagonist tells us the decision to provide for noncompliance with law as contained in Executive Order No. 10925 was based on special circumstances in the national interest and listed five items that were to be included under this heading, as follows:

1. The timing of the project is of great importance and cannot be delayed. The Pacific Northwest will be short of firm power in 1965-66 under critical water conditions. The two generators of the project are scheduled for completion on October 1 and December 1, 1965. In addition, it is estimated that the reactor will be operated for both the production of plutonium and the generation of power for a period of 7 years. Thereafter, the cost of operating the project only for the generation of power will increase substantially. Any delay which will shorten the 7-year dual-purpose period will have an adverse effect on the financial feasibility of the project.

2. Continuous use of the reactor for power generation will assure its constant availability for rapid conversion to plutonium production should such production be necessary for defense purposes. It is my understanding that many Russian reactors are dual purpose and are capable of rapid conversion to plutonium production. This will be the only dual-purpose reactor in the United States.

3. The completion of the project will result in steam payments to AEC—payments which may amount to as much as \$155 million or more. These will help defray the



cost of the reactor and plutonium production to the taxpayers of the country.

4. Two presently unused products, waste steam from the reactor and unsalable hydroelectric secondary energy, will be combined to make a usable product—firm electric power.

5. The generating facilities will have a capacity of approximately 800,000 kilowatts. It will be the largest nuclear powerplant in the world.

#### SPECIAL CIRCUMSTANCES IN NATIONAL INTEREST ARE PHONY

In my estimation, all of these five items which our Hanford protagonist wants us to believe are special circumstances in the national interest, are as phony as a \$3 bill. Let us keep in mind, in all this discussion, that the project with any national defense aspect at all would be the new production reactor at Hanford, which is supposed to be going forward to early completion regardless of whether the Hanford powerplant is constructed or not. The project which our Hanford protagonist is referring to is the Hanford powerplant, not the production reactor itself. With this in mind, I shall proceed to discuss these five items that are falsely claimed to be of special importance to the national interest.

#### First item:

The timing of the project is of great importance and cannot be delayed.

Our Hanford protagonist tells us the Hanford powerplant cannot be delayed, as the Pacific Northwest will be short of firm power in 1965-66 under adverse water conditions. Actually this is not a true statement if all available resources are taken into consideration and interruptible or nonfirm loads are eliminated. In addition, he fails to tell us that under normal or median water conditions all loads can be carried with a surplus to spare. This surplus in an average or median water year holds true each year through 1970-71. In fact, the power surpluses without Hanford, in 1967-68, for instance, will range from 1 million continuous kilowatts to over 6 million continuous kilowatts. These facts are set out in the latest report of the Pacific Northwest Utilities Conference Committee dated January 15, 1963. This conference committee includes technical representatives from all major utilities of the Pacific Northwest including Bonneville and all leading non-Federal public power systems. The possibility of an occurrence of the most adverse water conditions in 1965-66 is highly remote. Bonneville and the Washington Public Power Supply System cannot be too concerned about a power shortage in the region, as the Interior Department and the Washington Public Power Supply System, over the past several years, have been doing all in their power to prevent private electric utility systems of the Pacific Northwest from providing additional electric generating capacity of their own for the future. Proposals have been made for the construction of a new coal-burning steam-electric plant in the Pacific Northwest, which would provide 500,000 kilowatts of firm power. In contrast, the Hanford powerplant would produce only nonfirm power. The power

from the coal-burning steamplant could have been provided much sooner than the Hanford power, if it had been started at the same time the Hanford new production reactor was started.

Bonneville refused to consider this coal-burning plant ahead of Hanford power.

Our Hanford protagonist also should correlate his statement with the Interior Department spokesman who just last week—May 20, 1963—told the Federal Power Commission, with regard to the Pacific Northwest, that we have a present surplus of power in that region and have had for several years, and that there would be a surplus of power through 1971-72. The Interior Department asked FPC not to approve an FPC examiner's recommendation that private utilities be permitted to build an 875,000-kilowatt hydroelectric plant on the Snake River.

Another phase of timing that I am sure our Hanford protagonist would like to forget is the extremely long and costly delay in the construction of the new production reactor. All or nearly all of these delays are chargeable to the conversion or power phase of the new production reactor. A year ago, the new production reactor cost had risen to a total of \$195 million; or \$75 million above the estimated cost for a plutonium-only reactor, and the completion date had been put back at least a year. We are now told the cost has increased to \$200 million and the completion date set back another year. All this \$30 million increase in cost and the 2 years' or more delay in the production of plutonium is directly chargeable to those members of the Joint Committee on Atomic Energy—which included our Hanford protagonist—who insisted on the construction of a convertible reactor instead of the plutonium-only reactor as recommended by the Atomic Energy Commission.

#### NATIONAL SECURITY SACRIFICED FOR ELECTRIC POWER

This 2 years actual loss in plutonium production for defense could be catastrophic, as it might well represent the margin of firepower needed to overcome our enemies in the future. I would not want it on my conscience, if this should ever be the case.

It seems to me that in this regard there has been a complete lack of consideration for the national interest in the action of the Hanford power proponents. The real concern of these Hanford power proponents is fully evident on the record. It is the financial feasibility of this "1910 model-T" Hanford powerplant. How anyone can in clear conscience say that this financial feasibility is a special circumstance in the national interest is beyond me, and I am sure, beyond every other clear-thinking American.

Our Hanford protagonist has not, to my knowledge, disclosed any real concern over early completion of Hanford for plutonium production for national defense. If he has, I would like him to point out chapter and verse.

#### HOPE FOR VALID RUSSIAN AGREEMENT A DELUSION

#### Second item:

Continuous use of the reactor for power generation will assure its constant availability for rapid conversion to plutonium production should such production become necessary for defense purposes.

Actually, the new production reactor at Hanford is estimated to be operated for producing plutonium for 7 years after startup, so that any reference to operating for power would be after that time, or earlier only if an agreement were reached with Russia to stop producing plutonium.

Here is what one member of the Joint Committee on Atomic Energy said in 1961 about the national defense aspects of the Hanford plant under power-only operation:

They tell us if you have an agreement with the Soviets to stop producing plutonium, and if it falls through, and if the reactor is running for power, it can quickly be reconverted to producing plutonium again. The fallacy of the argument is that if ever the time comes under such circumstance we need plutonium, it would be whatever we had on hand at that moment that would save the Nation, not what you could produce thereafter. No matter how much you are able to produce afterward, it would not stop our enemies at that moment, thus the argument is fallacious.

This early startup argument can be put into proper perspective when we realize that the plant is estimated to be operated for plutonium production for 7 years. With 7 years of added production from the NPR, we might well ask if we will not have plutonium coming out of our ears. On the other hand, if plutonium production is even now a matter of national interest, the AEC and the Joint Committee on Atomic Energy should be saying, "Let's go ahead full steam on the new production reactor, so as to achieve plutonium production at the earliest possible date, and not provide for a shutdown to permit connection of the powerplant as long as plutonium production is needed." Any other course would be sacrificing the national defense on the altar of financial feasibility for the Hanford powerplant and could result in national suicide.

If the time ever comes when we can cut back on plutonium production, consideration can then be given to constructing the Hanford powerplant and to shutting down the new production reactor to connect up the powerplant and to make the necessary changes for more efficient power production. I can well understand the desire to improve the "1910 Model-T" type of powerplant. Certainly, it is not of special importance to the national interest to hold up plutonium production to achieve such a result; in fact it is just the opposite.

The reference to an agreement with Russia that would have any meaning, must be viewed in light of the negative results of atomic test ban negotiations to date and the failure to get an onsite inspection in Cuba to see if nuclear weapons and offensive Russian Army units have been removed from that nearby island.

# HANFORD PAYMENTS MAY BE LESS THAN \$210,000

## Third item:

The completion of the project will result in steam payments to AEC—payments which may amount to as much as \$155 million or more. These will help to defray the cost of the reactor and plutonium production to the taxpayers of the country.

This, without a doubt, is the most fallacious argument of all. Actually, the maximum total payment could be less than \$210,000.

The two signed copies of the two contracts between AEC and Washington Public Power Supply System show what payments are to be made to the Treasury. Contract AT(45-1)1357 covers the lease of Federal land to Washington Public Power Supply System on which to construct the Hanford powerplant. Payments to AEC under this lease are \$1,000 for the first year and \$10 a year thereafter.

The other contract is AT(45-1)1355 called the operating and construction contract. Attached to this contract is another lease agreement covering the lease of the new production reactor to Washington Public Power Supply System when power only is to be produced. The payments under this lease agreement are the same as those under contract AT(45-1)1357, that is, \$1,000 for the first year's rent and \$10 a year thereafter. Incidentally, how would you like to rent a \$200 million Federal plant for \$10 a year?

The operating and construction contract provides for various payments to be made by Washington Public Power Supply System to AEC during the operation of the new production reactor for the dual purpose of plutonium production and steam for power. The payments provided start very low, then increase, then later go down again. The length of operation of the new production reactor for dual-purposes has a very material effect on the total amount to be paid by Washington Public Power Supply System to the Federal Government.

No one knows just how long the new production reactor will be operated for plutonium production and how long it might be operated for power only. In addition, it is always possible that incidents could occur that would preclude further operation for either.

I shall give a few examples of payments the taxpayers would get under the contracts as signed, assuming a total operating period of 30 years and various periods of dual-purpose operation.

First example: 2 years, dual-purpose operation—plutonium and power, 28 years—power only.

1st year	\$101,000
2d year	100,010
3d year	1,010
4th year	20
Remaining 26 years	520
Total	\$202,560

In other words, if agreements were reached at the end of 2 years to stop plutonium production for defense purposes, the total payments over a 25-year period would be \$202,560, or about one-fifteenth of the interest cost for 1 year

on the power conversion cost to the taxpayers. This is a far cry from the up to \$155 million payment our Hanford protagonist holds up before our eyes.

Originally, the Hanford powerplant was analyzed on the basis that we would have enough plutonium by 1972 and operations thereafter would be for power only. Here are the payments that would be forthcoming under such a schedule:

1st year	\$101,000
2d year	100,010
3d year	200,010
4th year	200,010
5th year	600,010
6th year	800,010
7th year	1,000,010
8th year	1,010
Remaining 22 years	440
Total	3,002,510

In other words, under the terms of the contract, \$3,002,510 would be the amount of repayment to the taxpayers for the use of steam for 7 years and the lease of a \$200 million plant for 23 years.

You may ask, if the above figures are true—which they are—where does our Hanford protagonist get his "up to" \$155 million figure? It is on the basis of operating the new production reactor for dual purpose for 30 years with no power-only operation. I am sure that those who know our present plutonium production capacity would say that continued plutonium production, at our present rate, plus the Hanford new production reactor for the next 30 years, would give us enough plutonium to bomb every square foot of earth on this planet.

## ALL HANFORD STEAM WILL NOT BE USED

### Fourth item:

Two presently unused products, waste steam from the reactor and unsalable hydroelectric secondary energy, will be combined to make a usable product—firm electric power.

This statement is not as complete and true as it appears on first glance. I am sure most readers would assume that all the waste steam from the new production reactor would be utilized to generate electric power which could be combined with unsalable hydroelectric power to make usable firm power. This will not be the case.

In a letter dated June 15, 1962, the Federal Power Commission presented information on the potential utilization of power from the Hanford powerplant. This data showed the following estimated plant factor at which the Hanford powerplant could be operated:

	Percent
1966-67	21.2
1969-70	34.4
1974-75	53.9
1985 and after	85.0

The plant factor is a measure of the plant output in comparison to the potential output operating 100 percent of the time at full load. These FPC figures mean that because of existing surplus hydroelectric power in the Pacific Northwest, only certain portions of the NPR steam can be utilized for power production. Based on these FPC figures, nearly 80 percent of the Hanford steam would have to be wasted up through the years 1966-67, with 65 percent wasted through

1969-70 and 46 percent wasted through 1974-75. Actually, under a better than average water year, the surplus hydro-power available would result in no need to generate any power at Hanford.

## LABOR FORCE SACRIFICED FOR ELECTRIC POWER

In addition to only a partial use of the Hanford steam, the Hanford power proposal does not provide for the use of a far more important resource of the area not now being fully utilized. That is the labor force. Thirteen counties of Washington contain areas of "substantial and persistent unemployment," as reported by the Department of Labor. The proposed coal-burning steam-electric powerplant at Cle Elum, Wash., would have provided work for a goodly number of the presently unemployed miners and other workers in the area. Not only would such a coal-burning steamplant be infinitely more reliable than the Hanford powerplant, but ultimately would provide added firm power on its own, something that Hanford can never do. Here, again, the true national interest has been sacrificed on a false pagan altar of financial feasibility for an antiquated "1910 model-T" powerplant. Even this so-called financial feasibility has to be predicated on completely erroneous methods of financial analysis and writeoff of proper costs. It all adds up to a fraud and a delusion on the American taxpayers.

## ANTIQUE POWERPLANT IS LUDICROUS

### Fifth item:

The generating facilities will have a capacity of approximately 860,000 kilowatts. It will be the largest nuclear powerplant in the world.

No one can deny the reference to size, but without a doubt, this is the most ludicrous item of all—to classify as of special consideration in the national interest. In fact, it runs the entire gamut of the definition of ludicrous, as given in Webster's Unabridged Dictionary:

Adapted to excite laughter, especially from incongruity or exaggeration; ridiculous; absurd, broadly comical.

Do not take my word alone, but look at what other Members of Congress have said about this elephantine "1910 model-T" powerplant.

A member of the Joint Committee on Atomic Energy said:

Next they argue that this 800,000 kilowatts of so-called nuclear power will be a great thing for the international prestige of the United States. This is equally specious; 154 years ago a man named Robert Fulton invented the steamboat, and he ran his steamboat, the *Claremont*, up the Hudson River. It had a boiler in it that made steam which ran the engine which turned the paddle wheel. The fact of the matter is that the steam that would be produced out at Hanford is so low in temperature, so wet and of such a low pressure that it is more like the steam Robert Fulton used 154 years ago than it is to the steam used in modern day production of electricity.

If we are going to "move ahead," as the popular phrase goes, instead of regress, this certainly is the opposite from the way to do it. How much international prestige are you going to get by going back almost a century and a half in technology? None at all. The people overseas are going to look at such foolishness and laugh at us. We



would not gain prestige; we would lose it by foolishness like this.

Here are some excerpts from other statements on the House floor relating to the Hanford powerplant:

It is like building an 1880 vintage wood-burning locomotive to compete with today's modern diesel electric locomotives and claiming it would help the art.

What possible technical experience and benefit can be gained through the construction of 1910 model-T vintage electric generation plant with steam pressures of one-tenth that of modern day electric units?

It's like building a 1910 model steam engine driven threshing machine to compete with a modern-day grain combine.

I could go on and on, but this should be sufficient to make it amply clear that, far from being a special circumstance in the national interest, the Hanford powerplant must be classed as antiquated and adverse to the national interest. As a member of the Joint Committee on Atomic Energy said:

The people overseas are going to look at such foolishness and laugh at us. We would not gain prestige; we would lose it by foolishness like this.

#### DELIBERATE DECEPTION ATTEMPTS

Here is a good place to point out a prime example of the half truths and deliberate attempts to deceive that fill the record on the promotion of the Hanford powerplant. Faced with the undeniable fact that the Hanford powerplant would be of the 1910 model-T type, which major utilities had stopped building many, many years ago, the Hanford protagonist attempted to hoodwink the Members of Congress into believing such low temperature generating units were still being manufactured and installed. Here are his words as recorded in the CONGRESSIONAL RECORD:

My colleague has raised the argument that this is an obsolete type of electricity generation and he makes that point on the basis that this involves approximately 135 pounds of steam pressure as against some of the new modern machines which use up to 1,000 pounds of pressure.

I hold in my hand a list of low-pressure turbines that have been built by the General Electric Co. alone, and there are plenty of others that have been built by other companies. I hold in my hand a list of 30 turbines—turbines of this type utilizing pressure from steam of from 96 to 150 pounds per square inch in parts of the machine. These are all used by well-known power companies like Commonwealth Edison; Consolidated Edison; Detroit Edison; Indiana, Kentucky & Ohio Electric Co.; and all these other companies. So there is a place for both kinds.

When we delve into the matter, we find every one of the units listed is a highly modern unit placed in operation since 1955. They are among the most efficient in the country and for the most part operate at steam pressure around 2,000 to 2,400 pounds per square inch and temperatures of 1,000° or more. Here was a deliberate attempt to deceive those within sound of his voice, and those who later might read his words. In another instance the Hanford protagonist, in trying to downgrade the public power aspects of Bonneville and the Hanford

power project, said that over 50 percent of the Bonneville Power Administration power was sold to the private utilities. This in the face of Bonneville's own statistics which showed only 18.8 percent of the Bonneville power went to the private utilities.

#### IS 50 PEOPLE THE CUTOFF POINT FOR COMPLIANCE WITH CIVIL RIGHTS LAW

The Hanford protagonist, in trying to belittle the extent of noncompliance with the cancellation provision of Executive Order No. 10925, says:

The actual construction of the Hanford power facilities will be undertaken by contractors. They will be subject to all remedies for the enforcement of the nondiscrimination clause, including cancellation.

The contractor operating the power facilities for the supply system will also be subject to the full enforcement provisions, including cancellation.

The supply system, the only organization against which the remedy of cancellation would not be available, will employ less than 50 people.

These statements raise several very interesting questions. I cannot agree that only 50 employees would be affected by the provision for noncompliance with the law. However, this raises an interesting point. Is 50 persons the cutoff point on noncompliance with the nondiscrimination law? What about 51 people, or just where do you start requiring strict compliance with the law?

Also, why is there no mention of the 76 Washington Public Power Supply System contracts which all provide for non-cancellation? The employees of the 5 private utility companies and the 71 non-Federal public utilities number in the thousands. Is this a deliberate attempt to create a false impression as to the number of employees involved?

#### HANFORD CONTRACTS STILL SUBJECT TO CANCELLATION

If, as indicated by the Hanford protagonist, all the construction contracts are to be subject to cancellation, it will be possible to have a cancellation of one or more major construction contracts that could delay the construction of the Hanford powerplant indefinitely. This certainly would jeopardize the financial feasibility of the power project.

There are other cancellation provisions in both the AEC-Washington Public Power Supply System contracts and in the Bonneville-Washington Public Power Supply System contracts. As I pointed out in my May 7, 1963, speech, cancellation under these provisions would not affect the financial feasibility of the bond issue, as the taxpayer through Bonneville would have to pick up the check. In fact, as I read the contracts, the new production reactor could blow up shortly after initial operation and the taxpayer would have to pick up the check for the Hanford powerplant. A possible blowup might not be too farfetched, as a large part of the increased cost of the new production reactor was related to the construction of thick-wall pipe of a pressure and temperature not previously manufactured. After a large part of the pipe had been shipped to the Hanford site, it was found to be full of tiny cracks not disclosed at the time of factory inspection and acceptance. We are told

this pipe has been reworked and is now considered safe, but is it? I hope for the sake of the national defense aspect that this is true.

#### PLAGIARISM OR TWIN GHOSTWRITER

After reading the Hanford protagonist's diatribe on pages 9224 and 9225 of the CONGRESSIONAL RECORD of May 23, 1963, I glanced further through the CONGRESSIONAL RECORD and came to the utterances of another Hanford proponent on pages 9244 and 9245. As I read further, there came to me a feeling that I had read part of this before, and sure enough, on comparing the Hanford proponent's words with those of the Hanford protagonist, I found sentence after sentence and paragraph after paragraph were identical. At first I thought plagiarism was involved; then I realized both articles were placed in the RECORD the same day. I am sure nearly every Congressman makes use of a ghostwriter at one time or another, but I certainly would fire a ghostwriter who was so enthralled with his own rhetoric that he would use it intact for more than one client.

#### ATTORNEY GENERAL'S OPINION NOT LAW

The Hanford proponent took a little different approach in trying to claim that a specific provision for total exemption from a law can be interpreted to also provide for partial exemption. She says that Attorney General Rogers, in the prior administration advised that power to grant exemption under a prior equal employment opportunity executive order included the power to grant partial exemption with conditions or modifications. I am sure the Hanford proponent knows that the advice of any Attorney General is just that, and carries no more weight in law than does the advice of a country lawyer. I am sure the record will show many opinions of Attorneys General have been held invalid by the courts.

The Hanford proponent infers that the legality for partial noncompliance has been concurred in by attorneys for some 70 or 80 participants in the Hanford deal. I would like to bet \$10 to a dime that there has been no more than three or four, if that many, typewritten statements expressing any conclusions as to the legality of this modification of the civil rights law.

#### FULL INVESTIGATION TO CONTINUE

On the question as to whether there was any discussion or consideration given to total exemption from section 301 of Executive Order No. 10925, I relied on sources that have been extremely reliable in the past. I am making my own investigation into this whole affair. So far, the response to some of my inquiries has been less than prompt or cooperative. Nevertheless, I shall continue and, in due time, I expect to be able to report the entire sordid aspects of this evident Kennedy administration double standard for administration of the equal employment opportunity law as set forth in Executive Order No. 10925.

#### ARE PRIVATE UTILITIES UNHAPPY?

With regard to the Hanford proponent's reference to the Portland General Electric Co., I would like to report that

I have had no contacts on this matter with that company or any other of the five private utilities who are participants in these contracts of questionable validity. If any of these companies are at all unhappy about the matter, perhaps they should have considered that old Chinese proverb:

He who lay down with dogs shall arise with fleas.

Actually, the use of the Portland General Electric Co.'s name was a happenstance, in that it was on the authenticated copy of the Bonneville-Washington Public Power Supply System contract supplied by Bonneville, under a request from the office of another Congressman who is interested in this Hanford deal. It could just as well have been the name of 1 of the other 76 participants.

#### DUPLICATION IN STATEMENTS MAKE ANSWERING EASIER

In replying to the Hanford protagonist, I have also covered most of the Hanford proponent's statements, in which she attempts to explain away my charge of deliberate noncompliance with a portion of Executive Order No. 10925 regarding equal employment opportunity. Of course, when whole paragraphs of their statements are identical, it makes the job easier.

#### NATIONAL SECURITY NEGLECTED

In closing, I want to emphasize that this is not all I shall have to say about this matter. I intend to continue digging until I get to the bottom of this Hanford power deal that indicates it has resulted in serious adverse effects on the national defense posture of our Nation. It is no longer just a question of the evasion of a civil rights law, but can well encompass the question of national survival. If plutonium production is now critically needed in the national interest, then the completion of the new production reactor should be pressed at maximum speed without reference to power. If plutonium is not now in urgent need and the 2 years' loss in plutonium production from the new production reactor at Hanford is not a serious development of critical national importance, then the Congress and the taxpayers of the Nation have been the victims of a gigantic and costly hoax. We might well ask if we have been hoodwinked into providing an additional subsidized electric power source to an area now enjoying the lowest power rates in the Nation which were made possible at a cost to date to the taxpayers of the Nation of over \$2 billion.

#### HAS PREFERENCE LAW BEEN VIOLATED

The reference to the dire effects of the loss of approximately 80,000 kilowatts of firm power to each of the private utilities raises some interesting questions. As I have noted earlier, there are still other contract cancellation provisions remaining in the Hanford power contracts. In addition, there is another question of Hanford power contract validity with respect to the five private utilities.

The Bonneville Administrator recently testified before a congressional committee that the entire output of Hanford was to be turned over to Bonneville and Bonneville would, in turn, deliver firm

Federal hydroelectric power to each of these five private utilities who are participants in the Hanford power contracts covering a 30-year period. Under the present preference laws, Bonneville cannot make firm power contracts with private utilities for 30 years without recall provisions if a preference customer needs the power. Conditions could well occur under which the preference customers would sue to force Bonneville to recall the Federal hydropower committed to private utilities under these contracts. Here, again, it appears Bonneville is attempting to evade another law in connection with this Hanford power deal. Furthermore, not satisfied with the present preference law, Bonneville wants Congress to give them a special preferential preference law to permit them to keep strings on all the Federal power in the Pacific Northwest. Thus, the taxpayers of other regions of the country who have contributed over \$2 billion for Federal hydroelectric projects in the Pacific Northwest would be excluded from reaping any of the benefits of their investment.

All in all this whole thing smells. Let me summarize it:

First. Double standard for administration of civil rights law in provision for noncompliance.

Second. Serious adverse national defense aspects.

Third. Evasion of existing power preference law.

Fourth. Promotion of a preferential preference bill to exclude other parts of the country from enjoying some of the fruits of the multibillion-dollar tax payer investment in Federal power projects in the Pacific Northwest.

#### LAW DAY, 1963

Mr. KEITH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include a speech.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEITH. Mr. Speaker, my friend and distinguished colleague from New York, ROBERT R. BARRY, addressed the Lions Club of Bronxville, N.Y., on May 7 in connection with "Law Day, 1963."

His speech reflects a deep understanding of the importance of the law in maintaining freedom and good government. Because my colleagues as legislators are keenly interested in the rule of law, I insert Congressman BARRY's excellent speech at this point.

#### LAW DAY, 1963

Ladies and gentlemen, I am deeply honored to be with you today as a participant in these Law Day observances.

Until May 1, 1953, the first of May was the occasion for the Communists in this country and throughout the world to stage parades, one major purpose of which was to disparage America and the heritage of freedom.

But in that year, President Eisenhower endorsed the idea of the then president of the American Bar Association, Mr. Charles Rhyne, and proclaimed May 1, as Law Day.

It was a day in which Americans could meet together and reflect upon their great heritage of individual liberty under law.

Its purpose was and is to foster a deeper respect for law, encourage responsible citizenship, and promote national unity and strength by reaffirming faith in the "rule of law," as the foundation stone of American life and government and as an example to the world of what reliance upon the rule of law can mean to peoples of all nations as the only sure road to peace and order.

Since that first auspicious beginning, Law Day has been celebrated annually by ever-growing numbers of groups and organizations throughout the country. In 1961, its significance was heightened by the passage by Congress of a law designating May 1 of each year as Law Day.

Law Day on May 1, perhaps comes as close as any other day in the year to being that special time when we search for and express at least part of the meaning of America. It offers us not only an opportunity to refresh ourselves once more in the wellsprings of liberty and to reinvigorate an awareness of the eternal tie between law and freedom, but also to demonstrate to others the strengths and the riches of a system founded upon the rule of law.

The weapons that we marshal in our demonstration are our Constitution, our Bill of Rights, our laws and our liberties in contrast to the tanks and steel-gray guns that rumble through the streets of the Communist capitals.

We proclaim law as the end of our civilization; they parade force. We commemorate the blessings of freedom; they, coercion and the bleakness of fear. We demonstrate that government is the servant of the people and its purpose the good of all; they demonstrate that government is the master of the people and that its good is the purpose of all.

It is in times of national crisis that we are most inclined to reexamine the foundations of our society. It is altogether fitting then that we pause to consider the rule of law and its relevancy to our history and to ourselves.

Law Day is really a day of massive American introspection with its end purpose a national rededication to those mighty ideals and principles which forged our freedom initially and which have preserved it throughout the critical periods of our development. It is not only a day for lawyers, it is a day for all those who respect and live by and for the concept of law as the basis of our civilization.

Sometimes the significance of the law in our country is overshadowed by jokes about law and the legal profession. Former Attorney General Rogers used to tell the story about the letter a woman wrote to her attorney as follows:

"I want to thank you for winning my case. I especially liked the way every time that other lawyer asked me those unfair questions, you jumped up and objected. I'm recommending you to all my friends as a real objectionable lawyer."

But despite a certain flippancy at times about the law, the American people have always understood its real meaning to freedom and the American way of life. As nothing else in our development, the "rule of law" has had an overwhelming importance to us. It directly affects almost every face of our daily lives—our families, our business, our property, our safety, our peace, our freedom.

Perhaps no one described the meaning of law more concisely than did William Pitt during a speech to Parliament in 1770 when he said, "Where law ends, tyranny begins."

It was because the Founding Fathers were so deeply cognizant of the sacrifices and struggles that men had suffered and undergone in order to gain freedom, that they were determined to establish a system where the concept of the rule of law would be forever enshrined, inviolate from the passions of those seeking total power. They knew, as the late Justice Jackson stated a few years ago,



"The choice is not between order and liberty, it is between liberty with order and anarchy without either."

This concept of law, that is, of affording liberty in an ethically ordered society, was expressed by the philosopher, Immanuel Kant in this fashion when he described law as "the sum total of the conditions under which the personal wishes of one man can be reconciled with the personal wishes of another man, in accordance with a general law of freedom."

The result is the greatest freedom for each man consonant with the well-being of his neighbor. This is the blessing of the rule of law.

Thus, the instrument by which the Founding Fathers created this system of free government was the Constitution. The means they looked to for the preservation of such a system, was the law.

In his "Constitutional Government in the United States," Woodrow Wilson phrased this concept in these words, "Constitutional government," he said, "is par excellence a government of law."

The bases of our system of the rule of law are the Constitution with its provisions for limited government, the Declaration of Independence with its thrilling, eternal passages of the right of the individual, the Bill of Rights which sealed so many of these principles into the heart of our civilization, representative and responsible government subject to the decisions of its sovereign, the people, at stated times through elections, and an impartial judiciary for the settlement of disputes.

The result is a society where the rights of people are governed by established rules and where the freedom and dignity of the individual are assured.

The standard is the equality of all before the law. Each man is then free to make as much of his life as he wishes so long as he accords the same privilege to his fellows.

The rule of law is perhaps the finest moral and political concept yet developed by man. Under the principle of equal justice for all, progress and order are nourished and sustained, and conflicts are resolved by law rather than force. This paramount underlying concept has been the major reason for the attainment by America of its place of world leadership and for the continued expansion of our strength and our "good society."

At the bottom of our system of law are we the people, exercising individual and moral responsibility and demonstrating our respect for the rule of law in our every daily action. Without this virtuous citizenry not even the Constitution could make our system work. In the words of the late Chief Justice Hughes, "Unless you have sound public opinion \* \* \* the Constitution (would be) \* \* \* nothing but a piece of paper."

Our system under law works because we the people want it to work; because we believe in it; because we know that it has preserved freedom and peace in our country in the past and that the rule of law offers the best promise for achieving permanent world peace in the future.

But to keep our responsibility and awareness at their finest pitch, we celebrate Law Day each year and rededicate ourselves to these magnificent principles.

As former President Eisenhower said, "It isn't enough merely to say, 'I love America' and to salute the flag. And to take off your hat as it goes by, and to help sing 'The Star Spangled Banner.'"

If we are to promote and preserve our great system of legal order and freedom we must work at it day in and day out, year after year. Our record thus far has been indeed, superb, but we are fully conscious that our system here at home is far from perfect, that it has many dark and gray areas where

the warm light of freedom and equality has yet to shine.

We count our blessings on Law Day, but it can be more, it can be an inspiration to us to strive even harder to perfect equal justice under law for all.

And beyond its significance to us here at home is its promise for world peace. One of the primary purposes initially announced for Law Day was to awaken and educate the legal profession and the public to the promise and potential of a world ruled by law. One way in which our celebrations of Law Day helps is the demonstration to the rest of the world that when millions upon millions of individuals voluntarily accept the demands of responsibility and individual restraint, peace and freedom are fostered and preserved.

We can also resolve to support actively, by letting our representatives know of such support, the programs and policies of our Government aimed at furthering the solution of world problems through the processes of law and persuasion. Such programs include not only our efforts in the United Nations and our attempts to negotiate disarmament agreements, but our assistance to underdeveloped lands where our objective is to aid the growth of responsible, independent countries cooperating with restraint and maturity in deliberations concerning world problems and in relations with their neighbors.

No one, of course, envisions an utopian situation where all conflict will be forever vanished from the world. But we can work, both inside and outside the United Nations, for the slow acceptance of ways and means of peaceful absorption or resolution of conflict.

Considerable experience in procedures and types of machinery has been gained since World War II in this area. The successful experience, for instance, of the European Court of Justice has led to the examination by bar groups of the possibility of creating similar regional and specialized courts for the Americas, for Asia, and for Africa.

Another development has been the growth of the use of arbitration agreements particularly in the areas of commerce and trade, and economic development.

A third has been international conferences of lawyers seeking to develop areas of mutual agreement such as a general codification of existing principles of international law.

Ideas for a World Law Day and World Law Year as well as the creation of a permanent World Peace Through Law Institute have been proposed and are being worked upon. A World Law Day would help to focus attention everywhere upon the promise and potential of law in the world community. A World Law Year (similar to the International Geophysical Year which accomplished so much for science) would involve cooperative endeavors upon a whole series of projects for the drafting of new treaties and conventions to update world law.

But you ask What can I as a nonlawyer do to help further this process of a step-by-step building of a world of law and justice?

Religious and civic groups, as well as governments, are taking an increasing interest in the development of these programs. While the legal profession will do the legal spadework, the dissemination of results and the stimulation of interest in such programs constitute ways by which nonlawyer groups are participating and can participate significantly in the process of building toward world law.

Ladies and gentlemen, thank you for your attention and your interest in these remarks on the origin and meaning of Law Day. As I have attempted to point out, Law Day has essentially four purposes: (1) Examining the

meaning of law in our own history and development, (2) fostering a deeper understanding of the rule of law and its relationship to freedom, and of a deeper respect for law, (3) encouraging the continuance of the practice of responsible citizenship, and (4) awakening and educating Americans to the promise and the potential of a world ruled by law.

We know the full meaning of the rule of law to ourselves and to our country. It is the greatest blessing with which we and mankind everywhere can be endowed.

The great opportunities for the development of law in the future are both here at home and among the nations of the world. In the words of Charles Rhyne, the "father of law day": "If we work as hard to build this world of law as we do on other tremendous programs like that of concentrating enough brainpower and manpower—and money—to do such hitherto impossible things as putting a man into space or on the moon, we will succeed. And that success will be much more meaningful because when a world of law is achieved man can then walk anywhere on the face of the earth, or travel in outer space, in freedom, in dignity, and in peace."

#### REQUEST FOR EXTENSION OF REMARKS

Mr. REIFEL. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] be permitted to extend his remarks in the Appendix of the daily RECORD in three instances.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, if the Chair would indulge me for a minute I think I can explain why I am making this reservation and why I intend to object.

Mr. DINGELL. Mr. Speaker, regular order.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from South Dakota?

Mr. JONES of Missouri. Mr. Speaker, I object.

#### REQUEST FOR EXTENSION OF REMARKS AT THIS POINT IN THE RECORD

Mr. REIFEL. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] and the gentleman from California [Mr. BOB WILSON] have permission to extend their remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

Mr. JONES of Missouri. Mr. Speaker, I object.

#### REQUEST FOR SPECIAL ORDER

Mr. REIFEL. Mr. Speaker, I ask unanimous consent that following the legislative program and any special orders heretofore entered into the following be permitted to address the House:

Mr. BROMWELL, on June 18, for 30 minutes.

The SPEAKER. Is there objection?  
Mr. HAYS. There is, Mr. Speaker. I object.

The SPEAKER. Objection is heard.

#### REQUEST FOR EXTENSION OF REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the following Members may be permitted to extend their remarks in the Appendix of the daily RECORD and to include therein extraneous matter: Mr. CELLER, Mr. ROONEY, Mr. HEMPHILL, Mr. MORRIS, Mr. FLOOD, Mr. VANIK, Mr. RODINO, Mr. MULTER, Mr. MURPHY of Illinois, Mr. McDOWELL, and Mr. ROGERS of Florida, each in one instance.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. JONES of Missouri. I object, Mr. Speaker.

#### AMERICAN MIGRANT WORKERS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I was recently privileged to be among those who successfully opposed any extension of the Bracero Act—Public Law 78.

One of the reasons for my opposition to the 2-year extension—or any other extension—of this act was aptly stated by the Christian Science Monitor in an article of March 9, 1962, which states in part "braceros occupy in the agricultural economy of the Southwest a place roughly comparable to that of slaves in the onetime cotton empire of the Old South."

This is a manifestly true statement, for the braceros were then and are now nothing much above the status of slaves.

What effect did this importation of cheap foreign labor have on American farmworkers?

The answer is that wages were depressed. In a typical situation in Texas not so long ago, the father of a family could make \$6.15 in a day if he picked 300 pounds of cotton. Anybody who knows will tell you that picking 300 pounds of cotton in a day is something not easy to do. Who can support his family on \$6.15 a day even when housing is furnished?

The answer is, of course, that nobody can. In order to survive, the domestic laborer had to press his wife and children into service. They might be able to average about 175 pounds apiece in a day of about 12 hours. Their contribution would enable the family to survive. But at what price?

The children could not work and go to school at the same time, and so they received no education to speak of. Result? In later life they, too, would become migrant agricultural workers.

The working conditions of migrant Americans are far below the standards of other American workers. In Texas,

there is no protective legislation for these workers. There is no minimum wage, there is no workmen's compensation, there is no safety code, there are no housing safeguards, there are no health regulations, and there are no other laws to protect these workers. While many employers are honest and fair, there are some who are not, and the lack of State regulations invites these few to take full advantage of the vacuum.

I have seen enough to know that the working conditions of American migrant workers hang somewhere between civilization and medievalism. I would hope that this House will not make things worse by any extension of Public Law 78.

#### COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service may have until midnight tonight to file a report on the bill, H.R. 5795.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### THE PRICE OF PEACE

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, peace has always been an aspiration of a strong America, but we have never sought "peace at any price or at any cost," for the price of peace can frequently be counted in the forfeiture of freedoms, the loss of liberties, and the negation of national prestige. Surely we have led the world in independence, freedom, and establishing our "colonies" as independent nations.

Perhaps while our President is seeking a so-called peace which, growing through a series of stages is to permit "parallel political developments that would take the place of arms," it would prove profitable to examine and assess the price that Americans are being forced to pay for peace at the present time.

Only last week the administration's policy, or would it be more correct to say lack of policy, provided a clear and striking example of the loss of liberty, freedom, and dignity which every American citizen has had to pay in order that the so-called peace be maintained. On June 5 under the dictates of eight armed Venezuelan pro-Communist terrorists, six unarmed Americans of the U.S. military mission to Caracas were forced to disrobe publicly in that capital city. Unsatisfied with disgracing American representatives, the "red" raiders—admittedly Communist conspirators and most likely Castro-trained and Cuba-based—impudently burned a U.S. flag and a portrait of George Washington before setting the entire mission ablaze and fleeing with the clothing and valuables of the American citizens involved. They

had the gall and audacity to tell our GI's that they would not be so lucky as to escape with their lives the next time.

Certainly, no legislator of this House will recognize this outrage as any part of peace, yet many will not hesitate to assert the specious and fallacious conclusion that any sort of retaliation would act as a detriment to peace. However, one has only to look to the real source of the difficulty in order to find a point at which a strong, uncompromising stance in foreign policy would have precluded the possibility of this and other outrages to America.

The editors of a leading news magazine went straight to the heart of the matter in diagnosing the cancerous Communist terror as being initiated by subversives trained in Castro's Communist Cuba. A firm policy in regard to Cuba, its trade and its emigrant flow could and would have prevented this outrage against our Nation and other subversive activities in Ecuador, Bolivia, Peru, and other Latin American republics.

What kind of action did the public humiliation of our citizenry and the degradation of our flag evoke from our State Department? Did it add starch to the soft approach of the administration? No, the button-down collar of the intellectual has seemingly evolved into the buttoned-lip policy of our State Department. In fact, no action whatsoever in regard to these disgraces has been taken. More important still, is the continued lack of a policy of strength regarding Castro's exportation of subversives to our South American neighbors.

My distinguished colleagues, the gentlemen from Florida [Mr. CRAMER and Mr. ROGERS], only last Monday, June 10, brought to the attention of this body the startling facts concerning the soft policy of the administration toward the continued buildup of Castro's Cuba. They were careful to point out that the buildup was taking place through the unrestricted trade of the island dictatorship with many countries of the free world whom we are assisting with considerable economic and military aid and with whom we still engage in an active trade. The inconsistency of American policy at this point is too glaring to ignore. This price of peace is too great to pay, especially when one realizes that peace cannot be purchased in this manner; while maintaining any semblance of dignity and honor—individual or national.

Do Americans across this great Nation share with our President the frightful feeling, the policy which deals from fear, that a soft line in foreign policy is justified and necessitated, because "it is discouraging to think that their leaders—the Communists—may actually believe what their propagandists continually write"? Certainly, the general public cannot join the Chief Executive in this sophisticated "whistling in the dark" when the facts of subversion stare us in the face and the Berlin wall prevents freedom-loving individuals from true liberty and equality.

The supposedly new policy statement of the administration on Monday was



merely the overt declaration of a pacifistic policy of verbal internationalism intended to hide a fearful isolation in the realm of useful policy implementation. In recent times so-called peace has been purchased at the price of principle and prestige. Without serious protest Russian fishing vessels have approached our scant 3-mile limit, American fisherman have been ordered out of several fertile parts of conceded international waters of the oceans, Turkish confidence in America has been seriously undermined, and wherever possible we have crept away from conflict with Cuba—in fact, there again we snatched defeat from the jaws of victory when the entire free world was on our side and the Communists were admittedly deceitful and overextended.

It is foolish to lull ourselves into the false security procured by thoughtful inaction. Experience regarding appeasement and tolerance toward Hitler in the 1930's should have taught us that such a policy merely builds the confidence of the warmonger, suggesting to him the possibility of ultimate success. Like it or not, chauvinistic as it may be—nonresponsible nations understand only firm action and a "big-stick" policy, no matter how softly we speak. Our recent actions as a Nation has not borne this out. Peace must not be bargained for at the price of principle. History tells us that it cannot be. If Americans are now so dominated by anxiety over nuclear capabilities, the price of peace may well again involve a Pearl Harbor, only this time recovery will be all the more precarious.

What does it take to awaken the will of the people of the United States of America, who bravely sent the U.S. Marines—as a fledgling Nation—to the shores of Tripoli in order to correct injustices far less serious than we now accept without protest in Cuba, Venezuela, and even Ecuador—which we feed.

#### MIA JUNE CONFERENCE

Mr. BURTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. BURTON. Mr. Speaker, I wish to call attention to a very significant event occurring this weekend in my home State of Utah.

Beginning Thursday, June 13, youth leaders from all sections of the United States and many foreign countries will arrive in Salt Lake City for the 64th Annual June Conference of the Mutual Improvement Association of the Church of Jesus Christ of Latter-day Saints.

The Mutual Improvement Association is an organization within the Mormon Church which has as a specific aim, the promotion of wholesome activity for young people. The two divisions of the association, Young Men's Mutual Improvement Association and Young Women's Mutual Improvement Association

are under the direction of G. Carlos Smith and Florence S. Jacobson, respectively.

From the very beginning of the church, the importance of young people as the leaders of the future has been recognized. Great stress has always been placed upon the necessity of helping youth become responsible adults—individuals in whose daily lives, religious conviction, moral integrity, and honesty are constantly applied.

The key has been activity—activity which diverts the energy and enthusiasm of youth into character building endeavors of lasting worth. Religious values and spiritual development serve as the underlying influence which provide the activity with proper meaning and orientation.

The simple maxim "Be honest with yourself," becomes an integral personality trait through participation, for example, in sports where sportsmanship is placed above winning. Camping, handiwork, and service projects incorporate high regard for honest effort into the daily actions of young people. Development of the ability to communicate and think maturely is a reality through public speaking and drama fostered by this organization. Other talents find expression through the association-sponsored music and dance programs.

Thus the Mutual Improvement Association supplements the efforts of the home and community in building capable future leadership.

The attendance of the local leaders at all sessions of the conference is expected to exceed 100,000. This is indicative of the activity of this organization of the church in reaching the lives of young people all over the world.

The conference itself will take place June 14 and 15. Stress will focus upon increasing leadership ability and devotion to the service of youth on the part of the association workers.

In this day when the problems of juvenile and adult crime are increasing, it is refreshing to cast our attention upon the efforts of an organization in which a program to combat these problems on the level of their genesis is active, applicable, and effective.

#### U.S. PUBLIC HEALTH OFFICIAL CALLS ST. LOUIS WATER POLLUTION ABATEMENT PROGRAM "MODEL FOR NATION"

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to read into the Record the high praise by U.S. Public Health Service officials to MSD and St. Louis communities, with reference to the pollution abatement program.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, we in St. Louis are very proud of the steps being taken by our communities to help solve the urgent national problem of

water pollution, and to provide our area with the facilities necessary to prevent further pollution—and thus help to clean up our great Mississippi River.

The agency assigned this responsibility is the Metropolitan St. Louis Sewer District, the executive director of which is Mr. Peter F. Mattel. From every indication this agency is doing a good job. I was pleased, therefore, to find in the May newsletter of this agency a report on a recent conference with U.S. Public Health Service officials at which the MSD program was described as becoming "a model for the rest of the Nation."

According to this account, Mr. Murray Stein, of Washington, D.C., Chief Enforcement Officer of the Water Supply Pollution Control Section of USPHS, said that no other metropolitan area in the country had approached its water pollution problems "with such foresight, orderliness, and cooperation." This is indeed good news for those of us from the St. Louis area who have supported effective measures to combat water pollution, because this proves we are trying our best on the local level to solve a national problem which can be solved only with the utmost local cooperation and much sacrifice.

Mr. Speaker, I submit for inclusion as part of my remarks the item which caught my eye in the May newsletter published by the Metropolitan St. Louis Sewer District, as follows:

#### U.S. OFFICIAL PRAISES MSD

High praise was given this month by U.S. Public Health Service officials to MSD and the St. Louis communities for their outstanding manner in which the pollution abatement program here has been handled. "In the years to come, the St. Louis area will serve as a model for the rest of the Nation," said Murray Stein of Washington, D.C., Chief Enforcement Officer of the Water Supply Pollution Control Section, USPHS.

Stein said that no other metropolitan area in the country had approached its water pollution problems with such foresight, orderliness, and cooperation. He praised the officials of the many communities involved in this area, various other public officials, and singled out MSD for particular tribute on the manner in which we have moved ahead on a very complex problem.

Stein's remarks came at a progress meeting here on Friday, May 10, at which he and other USPHS officials from Washington, Chicago, and Kansas City heard reports on pollution abatement measures being taken in the Greater St. Louis area.

The meeting was the seventh such semi-annual review session of Federal officials with Missouri, Illinois and local authorities. The regular progress meetings were recommended by the March 1958 conferences conducted here by the U.S. Department of Health, Education, and Welfare. This was the conference that set in motion the area-wide pollution abatement program, which for the MSD area reached a high point last November in vote-approval of the huge Mississippi River project.

After reviewing reports of progress both in the MSD area and on the East Side, Stein and his fellow Federal officials characterized the MSD program as moving ahead "in excellent fashion." They expressed "pleasant surprise" at the strides made by East Side communities since the last semiannual progress meeting, and mildly cautioned Illinois authorities that only three small areas "could bear watching."

### HOSPITAL INSURANCE UNDER SOCIAL SECURITY

Mr. ROSENTHAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, representatives of senior citizens clubs from many States have come to the Capitol today to urge upon us early and favorable consideration of amendment of the Social Security Act to extend some measure of hospital and nursing home insurance protection to those eligible for retirement benefits.

Over the years the Social Security Act has been expanded and revised many times and each amendment has been accompanied by the woeful cries of those who oppose any Federal assistance in the field of social welfare. However, each and every time, their dire predictions of increases in unemployment, decline in purchasing power, tremendous increases in taxes, prohibitive administrative costs, and so forth, have failed to come true. Indeed, the social security system, since its inception has proved to be a sound, economic, and humane way to aid our citizens, many of whom are still not eligible for private pensions or annuities.

Months ago, Mr. Speaker, the President sent Congress his recommendations with respect to aid for our elderly citizens. His message proposed, among other things, that a hospitalization insurance program be instituted under the social security system to assist our senior citizens in meeting the hospital and nursing home costs that so many of them must face. The President is calling for another progressive step forward by requesting that hospitalization insurance protection be added to the retirement and disability benefits now available through the social security system. With reduced incomes, facing more frequent illnesses or breakdowns, remaining hospitalized or under the care of a physician for longer periods of time, our older people must be provided with adequate protection and care. They are entitled to it, and we must see that they get it.

It is unfortunate that private insurance programs have not been able to solve the problem, but the reason for this failure is simple and basic—people on retirement incomes are greater risks insofar as insurance is concerned, and therefore the premiums for coverage are extremely high. Low-cost group insurance is generally not available to them, and buying on an individual basis is necessarily very expensive and, in many cases, virtually impossible.

Because I believe that the administration's proposal will be an effective method of providing care and treatment for our older citizens, I am today introducing a companion bill to the measure introduced by the gentleman from California, Congressman CECIL R. KING, during the current Congress. I am hopeful that the Committee on Ways and Means

will be in a position to take action on this bill in the very near future, and I trust that this House will see fit to pass such legislation when it reaches the floor for consideration.

Finally, Mr. Speaker, some newspaper columnists who purport to tell their readers the inside story, are claiming that a move is afoot to compromise this issue by amending the King bill to permit the Social Security Administration to delegate the administration of the program to the Blue Cross or other organizations. In my opinion this is an unwise proposal despite its superficial plausibility and despite the worthy congressional sponsorship it is said to enjoy.

Although incorporated as a nonprofit organization and, broadly speaking, operated in the interest of the community at large, in actuality the Blue Cross is dominated and controlled by the purveyors of hospital service—the so-called voluntary hospitals. Neither Blue Cross nor the American Hospital Association has announced support or endorsement of the bills to add hospitalization to the present package of social security benefits. Now, however, as enactment of the bill becomes more certain, the hospitals and the physicians who largely dominate their governing boards wish to capture the hospitalization insurance program.

I am opposed completely to this maneuver. I will not vote to place administration of a public program in the hands of its private opponents. I will not vote to place administration of a public program in the hands of the private vendors it would reimburse. I will not vote to place administration of a public program in the hands of a private organization that cannot possibly do the job at a lower cost than the Social Security Administration. I will not vote to place the administration of a public program in the hands of a private organization that is not subject to the equitable rules of merit employment that apply to public agencies.

I trust, Mr. Speaker, that the newspaper reports to which I refer are in error and that the efforts to effect this shoddy compromise will come to naught. I call upon any of my colleagues who may be approached with this proposition to stop, look and listen. The fact that such schemes are even proposed is clear evidence that victory is near at hand for the President's plan for hospital insurance for older people under social security. Now is the time for all friends of the President's bill to stand fast and reject unworthy compromises.

### RIGHTWING EXTREMISM

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, last week my able friend and colleague, MORRIS K. UDALL, devoted his newsletter to the subject of rightwing extremism in this country. This gentleman from Ari-

zona is known for his thorough work, and I commend his words to you.

### FRIGHT FOR SALE

For 2 years now, on every working day, the postman has left on my doorstep 150 or more pieces of mail. Some are newspapers, press releases, and routine communications from Government agencies. Many are letters from constituents asking for help. Some are thoughtful, constructive comments on great issues of the day. But nearly every morning I find 10 or 15 letters which defy description—letters filled with fear, suspicion, and distrust, not of enemies and potential enemies, but of our own Government and the leaders we ourselves have elected to office. For 24 months I have thought this strange, irrational mark of our times would pass. Instead, it persists, defying fact, reason, and the lessons of history.

Nearly every week I am told that there is a Liberal-Socialist-Communist plot to turn our Government into a dictatorship. Earl Warren, our Nation's Chief Justice, is a "fellow traveler" who should be impeached. President Kennedy, a usurper of power, is preparing to turn our Armed Forces over to the United Nations; as a first step he has removed the words "In God We Trust" from our dollar bills. In the minds of these Americans most of the men and women who serve in Congress, most Supreme Court Justices, and nearly all of our executive department officials are left-leaning, Socialist, ultra-liberal, neo-Communist dupes—if not worse.

Everyone likes to receive mail, but imagine starting your day—every day—with messages like the following:

"It seems that the Constitution is a cloak only to be used when the little Kennedy brothers and their kosher friends need to show their might by invading the State of Mississippi."

"Has any foreign person not a Communist or a cannibal approved our foreign policy?"

"It is regrettable that you liberal-socialists are bent on throwing away for mysterious international reasons everything Americans have had to fight for."

"I am mad clear through . . . about what you and our other representatives are doing to us, our country and our heritage down there in Washington."

"Why do you believe Christian-American taxpayers should support an anti-Christian, pro-Communist, and alien Jew rabbi?"

"Many of us . . . are ashamed of your lying tactics."

"Of all the rats and snakes elected to office in Washington to represent the people and carry out their wishes, you rank head and shoulders beneath the lowest."

The people who write these letters aren't foreigners, or New Yorkers, or Californians. They are Arizonans who live in Bisbee, Phoenix, Casa Grande, and Tucson. Some of them may be neighbors of yours.

### OVERTONES OF PREJUDICE

To me the most alarming feature of these letters and the pamphlets which so often accompany them is their thinly disguised or even blatant overtone of racial and religious prejudice. I always shudder in this year of 1963, in a supposedly enlightened and tolerant Nation, to find people accepting statements like the following:

"Just last month I was sent the current Gerald L. K. Smith publication, *The Cross and the Flag*, which declared: 'Observers . . . have known for many years that international Jewry plotted the complete liquidation of the German race.' This is history turned topsy-turvy, for the Germans systematically put to death 6 million Jews. Yet an Arizona lady writes: 'There never was any execution of 6 million Jews as they would have us believe.'"



I'm also served almost daily with the words of another "authority," Myron C. Fagan, who with Smith is a prime mover in the current hysteria over disarmament. Fagan tells his readers—and many believe him—that the Anti-Defamation League of B'nai B'rith, working with the National Association for the Advancement of Colored People, has a plot to get control of our communications media—"you know what for"—along with other "treasonous activities."

Another "authority" is the Reverend Carl McIntire of Collingswood, N.J., whose daily radio program is heard in our State. In the name of Jesus Christ—the greatest exponent of charity and brotherly love—he regularly preaches hatred of Pope John (for his final encyclical "Peace on Earth"), the Roman Catholic Church ("the harlot church and the bride of the anti-Christ"), the National Council of Churches ("apostate, Communist and modernist"), the United Presbyterian Church and Evangelist Billy Graham ("a compromiser"). McIntire attacks the peaceful demonstrations of Negroes in Birmingham, implying they are "Communist-organized" and "Communist-controlled."

#### A REPUBLICAN SPEAKS OUT

Senator THOMAS KUCHEL the able, moderate California Republican often mentioned as a possible presidential candidate, has become so concerned about the volume and virulence of this kind of mail that he recently made a remarkable speech of conscience detailing the common experience of all of us who have the honor to serve in the greatest legislative body in the world.

In a systematic way Senator KUCHEL went down the line of charges currently being made by what he termed the "fright peddlers." He inserted into the CONGRESSIONAL RECORD reproduction of some of the stupid, inflammatory and fraudulent pamphlets distributed by the John Birch Society, Smith, Fagan and various self-styled "patriotic" organizations. He told the Senate:

"Do these people really believe, I ask myself—and now I ask them—that a gigantic and incredible and unprecedented conspiracy has occurred in America in which the President and his Cabinet, 99 percent of the Congress, 99 percent of the Nation's journalists, and even the U.S. Army have all taken part to sell out our country? \* \* \*. If they do, the only reasonable reply I can give to them which they will understand is the honorable, 100 percent red, white, and blue expression: 'Nuts.'"

This speech by Senator KUCHEL is so important that I have obtained several hundred copies and will make them available to those readers who wish to pursue the matter further.

#### AGREE WITH ME OR YOU'RE A TRAITOR

My staff and I have spent many hundreds of hours compiling patient and reasonable answers to the people who write these letters, but there can really be no intellectual exchange or respect for honest differences of view. You either agree 100 percent with them or you become, at best, a well-meaning dupe or coward and, at worst, a traitor.

Even conservative Republicans are not immune to such wild charges. My able colleague, Congressman JOHN RHODES of Phoenix, was attacked as a "coward" when he refused the request of a member of the Arizona house of representatives to sponsor impeachment of President Kennedy for sending troops to maintain order in Alabama. The attack was so intemperate that it prompted the Phoenix Gazette to comment, "To vilify a public official personally because he disagrees with an extreme suggestion \* \* \* is piling extreme upon extreme."

America has always had its hate peddlers and other fright-purveyors, such as the German-American Bund and Father Cough-

lin of the 1930's and the "barn burners" and "know nothings" of Lincoln's time. Yet I doubt that we have ever had such a consistent, sustained, well-financed, long-lived outpouring as the kind we are observing today.

#### THE VESTED INTERESTS

Most of the people who write me are sincere, law-abiding citizens who are honestly concerned. Many are whipped into the frenzy of suspicion and fear by a whole battery of well-financed organizations which pour out a steady stream of pamphlets, newsletters, and radio broadcasts. Behind many of these organizations are devious people who have a stake in frightening their fellow Americans.

Some of the authors of this vicious literature undoubtedly are disturbed people—paranoid personalities of one type or another. Others are in it for a more obvious reason; they have a vested interest in frightening the American people.

If Americans believe that the cold war is going well despite problems in some places, that we are succeeding in some places and holding our own in others, that we are maintaining a majority of the United Nations on our side, these purveyors won't sell many pamphlets or lecture tickets. But if they can make Americans believe that we are losing everywhere and the Reds are winning everywhere, that we can do nothing right and the Reds can do nothing wrong, that every country that isn't 100 percent pro-American is 100 percent pro-Russian, then they can sell their pamphlets and lectures, and they can get "sacrificial pledges" from radio listeners throughout the country.

Thus, these people constantly repeat and embellish every rumor, however absurd it may be, to serve their purposes. An example was the widely reported rumor that 16,000 African soldiers "with nose and ear rings" were to participate in a United Nations exercise in Georgia, real purpose of which was "a war to invade America." The truth was that 124 foreign military officers from various allied nations observed a U.S. Army exercise in guerrilla warfare called Operation Water Moccasin.

"Vested" too is the term for the interest of certain persons of extreme wealth in these campaigns of frenzy. H. L. Hunt, the Texas billionaire, is the founder and principal financial supporter of "Facts Forum" and the "Life Line" radio broadcasts and bulletins. While scaring Americans is their stock in trade, these activities also advance the views of Mr. Hunt, who wrote a book proposing that "if you accept State aid because you are poor or sick, you cannot vote at all, and you're denied an old-age pension." Mr. Hunt's "democracy" would also provide that "the more taxes you pay, the more votes you get."

#### SOME FACTS THAT WON'T SELL PAMPHLETS

It shouldn't be necessary to assure Americans or Arizonians in the year 1963 of some of the following things, and I am a little ashamed to have to do it. But let's get a few facts straight, even if they won't sell any pamphlets or tracts:

The President, his Cabinet and Members of Congress are patriotic Americans. There isn't a Socialist or a Communist in the lot. The vast majority of them are overworked, underpaid, sincere and effective public servants.

The State Department is not filled with Communists, Socialists or One Worlders. Ninety-five percent of these employees served under President Eisenhower. The backgrounds and loyalty of every State Department official have been checked and rechecked by the FBI.

There isn't going to be any unilateral disarmament on the part of our country, and

there is no plot to surrender our sovereignty to the United Nations or anyone else.

Dwight Eisenhower, Earl Warren, and John F. Kennedy are sincere, dedicated, and loyal Americans working for the best interests of our country. No one of them is a party in any way to any scheme to deprive us of our liberties, transform our way of life, or turn our country over to some foreign power.

The U.S. Army is not training cannibals in Georgia to invade our country and enforce integration and intermarriage.

#### A PRODUCT OF OUR TIMES?

I don't know what a psychiatrist would say (the prophets of fear, appropriately, are opposed to "mental health"), but I think much of this fear and distrust is a product of the dangerous times in which we live.

Prior to 1941 America went its own way. Attack or invasion by a foreign power were out of the question. There were several great powers in the world. Today we are the leader of the free world. The United States and the Soviet Union are the only great powers left, and they are engaged in a great economic and political struggle. In foreign affairs we can't always have our way, but we are deeply involved in most world events. Whether Eisenhower, Kennedy, Goldwater, Romney, or Rockefeller is President, we will have some successes, some failures, and some mistakes in our foreign policy.

At home we have domestic problems of a staggering magnitude. Our country grows by 3 million people every year. Since 1946 we have experienced an industrial and technological revolution that rivals in quality and quantity the mechanical changes between 1850 and 1917. An engineer or scientist who graduated in the 1940's would find his training inadequate if he were to step abruptly into the technological world of 1963.

Failure to understand and adjust to this changed world is, I think, a major factor in the fear psychology we are observing in our country today.

#### FEAR AND SUSPICION—OR TRUST AND RESPECT?

The greatest need in America today is not fear or suspicion. The greatest need is trust. We need to trust and respect and support the leaders our people have elected. Democracy finds a ready mechanism for changing its leaders whenever the majority of the people desire a change.

Americans have been notoriously poor judges of their contemporary leaders. Those who arrogantly and with complete certainty cast doubt about the patriotism of Presidents Eisenhower and Kennedy would do well to read with humility what their counterparts of 1863 said about President Lincoln.

Ask any American today to name our two greatest President, and he will surely name Lincoln as one. Yet Lincoln was bitterly denounced in his own era by many intelligent leaders of the day as ignorant, prejudiced, corrupt, utterly incompetent, atheistic, and insane. In 1863 Richard Dana, a respected writer and political figure, concluded a typical attack by declaring:

"The President has no admirers, no enthusiastic supporters \* \* \* he is an unutterable calamity to us where he is."

Ask any American to name the greatest pronouncement of an American leader, and he is likely to name the Gettysburg Address. Yet the correspondent who covered that speech for the influential Chicago Times sent a description of the speech which ended on this note:

"The cheek of every American must tingle with shame as he reads the silly, flat, and dish-waterly utterances of the man who has to be pointed out to intelligent foreigners as the President of the United States."

## THE JUST END TO PUBLIC LAW 78

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include relevant material.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Speaker, I take this minute to call our colleagues' attention to two newspaper articles and a letter which bear directly on the affirmative action taken by the House to terminate the Mexican farm labor importation program.

Contrary to the arguments raised by its supporters, the ending of Public Law 78 will not cause great damage to Mexico's economy. Rather, as the Mexican Agronomy Society stated in an article appearing in the New Mexican:

The Government had been anticipating the eventual end of the program and the men who had been working as braceros could be placed in other jobs.

At the same time, domestic farmworkers to harvest our crops are available. As Arthur Ross, director of the Institute of Industrial Relations at the University of California, stated in an interview appearing in the Berkeley Daily Gazette:

We must remember there are 500,000 unemployed workers in California alone. Many of them are members of minority groups whom farmers are accustomed to employing in particular crops. Many are young men with limited education but strong physiques. Thus there is no shortage of a potential labor supply. What is needed is to recruit and utilize it more effectively.

Such a recruitment and utilization program is possible; it has been incorporated in H.R. 4518 and similar bills. And this legislation has the support of such farm organizations as the National Farmers Union. As its president, James Patton, stated in his letter of June 10:

I feel this is the time, already too long delayed, for raising our own domestic farmworkers and family farmers out of poverty, at the same time giving many of our unemployed youth job opportunities. To this end I strongly urge you to give all-out support to quick passage of the domestic farm labor recruitment bill, H.R. 4518.

Mr. Speaker, I submit the two newspaper articles and the National Farmers Union letter in their entirety for they speak directly and constructively to this matter.

Mr. Speaker, I join in urging early and favorable consideration of this legislation.

[From the New Mexican, Santa Fe, (N. Mex.), June 3, 1963]

## PROGRAM END WON'T HURT

MEXICO CITY.—Mexico's economy would not be greatly damaged if the United States ended the bracero program, a spokesman for the Mexican Agronomy Society said Sunday.

The U.S. House last week voted down a measure to extend the program under which Mexican workers can be hired by U.S. farmers.

A society spokesman said the Government had been anticipating the eventual end of the program and that the men who had been

working as braceros could be placed in other jobs.

## [From the Berkeley (Calif.) Daily Gazette] BRACERO PROGRAM HALT MAY AID UNEMPLOYED

BERKELEY.—The halt to importing Mexican contract farmworkers was halted today as a measure of hope for the growing number of California unemployed.

Arthur M. Ross, director of the Institute of Industrial Relations at the University of California, noted that there now are a half million unemployed Californians, many of them only able to do farmwork.

The U.S. House of Representatives last week decided against extension of the bracero program, with the California congressional delegation splitting 19-13 in favor of continuation.

California growers employed almost 80,000 Mexican workers at the height of the 1962 harvest. The State administration is now seeking Federal aid for housing and transportation of domestic farmworkers, to fill the gap.

Ross admitted that elimination of the braceros would create major problems of adjustment involving such crops as tomatoes, strawberries, lettuce, lemons, and asparagus, which had been harvested by the Mexicans.

"A large part of the answer will be to provide steadier work for domestic farmworkers," Ross said.

"A recent study of farmworkers in Kern County showed that heads of households were obtaining an average of 138 days of work in 1961, little more than half time. Experience shows that with careful attention to scheduling and sharing of crews, at least 250 days of work could be provided annually. If this were done for a substantial proportion of the domestic seasonal workers, the loss of braceros would be compensated."

Ross added that "we must remember there are 500,000 unemployed workers in California alone. Many of them are members of minority groups whom farmers are accustomed to employing in particular crops. Many are young men with limited education but strong physiques."

"Thus there is no shortage of a potential labor supply. What is needed is to recruit and utilize it more effectively. This will call for close collaboration between agriculture and labor groups and the employment service, so as to provide the steadiest possible work. Undoubtedly, it will also require substantial improvements in housing, sanitation, and wage levels."

## NATIONAL FARMERS UNION,

Washington, D.C., June 10, 1963.

DEAR CONGRESSMAN: I wish to thank you for your recent vote opposing extension of the Mexican labor importation program. Our organization supports you in this stand and urges you to also oppose a 1-year extension of the program.

Instead, I feel this is the time, already too long delayed for raising our own domestic farm workers and family farmers out of poverty at the same time giving many of our unemployed youth job opportunities.

To this end I strongly urge you to give all-out support to quick passage of the domestic farm labor recruitment bill, H.R. 4518, now in the House Education and Labor Committee. A companion bill, S. 527 will be the subject of hearings starting June 10 before the Senate Subcommittee on Migratory Labor, headed by Senator HARRISON WILLIAMS, of New Jersey.

We wish to make clear our position.

First, we in Farmers Union have always felt that low-income (sometimes subsidized) agricultural workers are unfair competition

to family farmers and their wives and older children.

Second, we feel that farmers who are required to pay fair wages and maintain good working and living conditions should have their income from farming protected sufficiently so that they can well afford to pay good wages and maintain adequate working and living conditions.

Kindest personal regards.

Sincerely,

JAMES G. PATTON,  
President.

## THE TIME HAS COME TO ESTABLISH A PERMANENT COMMITTEE ON SMALL BUSINESS WITH LEGISLATIVE AUTHORITY

Mr. KYL. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the Record and to include additional pertinent information.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, the reason I reserve the right to object, and I have no objection to a reasonable amount of matter, but I think the Member asking for unanimous consent to include certain additional matter should indicate what it is and indicate its approximate length. There is a limitation on the amount of material to be inserted in the Appendix of the daily Record, but that limitation does not apply to the body of the Record. One day last week, one of these extensions in the body of the Record cost \$5,400 just for one extension of extraneous material. That is what I am objecting to. I am not going to object in this particular case because the gentleman from Iowa has indicated to me before making the request that it is rather short. So I am not going to object and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. KYL. Mr. Speaker, the time has come to establish a permanent Committee on Small Business with legislative authority to develop and recommend to the House of Representatives germane amendments to the following acts of the Congress:

First. The Small Business Act, which established the Small Business Administration.

Second. The Small Business Investment Act of 1958.

Third. The Robinson-Patman Act.

The Small Business Act—Public Law 536, 85th Congress—provides, in section 10(b) that—

(b) The Administration shall make a report to the President, the President of the Senate, and the Speaker of the House of Representatives, to the Senate Select Committee on Small Business, and to the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, on December 31 of each year, showing as accurately as possible for each such period the amount of funds appropriated to it that it has expended in the conduct of each of its principal activities such as lending, procurement, contracting, and providing technical and managerial aids.



Again, in section 10(e) the Small Business Act provides the following:

(e) The Administration shall retain all correspondence, records of inquiries, memorandums, reports, books, and records, including memorandums as to all investigations conducted by or for the Administration, for a period of at least one year from the date of each thereof, and shall at all times keep the same available for inspection and examination by the Senate Select Committee on Small Business, and the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, or their duly authorized representatives.

Pursuant to these sections which I have quoted, the Small Business Administration presents its annual report to the Senate Select Committee on Small Business, and to the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business and makes all correspondence, records, reports, and books open and available to them. This covers, of course, the Small Business Investment Division of the Small Business Administration which was established by the Small Business Investment Act of 1958.

The protections for business provided in the Robinson-Patman Act are more important to small business than are many other aspects of the antitrust laws, and the Robinson-Patman Act is in a very real sense a "Magna Carta" for the protection of the vital interests of small business, and is so regarded by small businessmen, as is shown by a letter I have received from George Burger, vice president, National Federation of Independent Business.

**HOUSE RESOLUTION 370 WOULD ESTABLISH A PERMANENT SMALL BUSINESS COMMITTEE WITH LEGISLATIVE AUTHORITY**

Mr. Speaker, I have introduced House Resolution 370 which would establish a permanent Committee on Small Business with legislative authority to develop and recommend to the House of Representatives germane amendments to the Small Business Act, the Small Business Investment Act of 1958, and the Robinson-Patman Act.

It is my confident belief that this measure implements the intent of the Congress as expressed in the Small Business Act, the Small Business Investment Act of 1958, and the Robinson-Patman Act.

In addition, House Resolution 370 provides that the permanent Committee on Small Business which it would create would have authority to conduct studies and investigations of the problems of all types of small business existing, arising, or that may arise with particular reference to (a) the factors which have impeded or may impede the normal operations, growth, and development of small business; (b) the administration of Federal laws relating specifically to small business; and (c) whether Federal departments and agencies adequately serve and give due consideration to the problems of small business.

I introduced House Resolution 370 because I am convinced that small business, along with farming, is the backbone of the American economy. Our history shows that as small business

prosper so our Nation prospers and is strong, steady, and self-reliant, and able to meet all emergencies during both war and peace.

In addition, I was moved to develop and introduce House Resolution 370 because it has become increasingly clear to everyone concerned that the House Select Committee to Conduct a Study and Investigation of the Problems of Small Business is terribly hampered in its efforts to serve the needs of the Nation's 4½ million small businessmen. This select committee of the House is prevented from making the full contribution it should to small businessmen because, as a study committee, it cannot legislate but can only refer its studies to other committees of the House of Representatives.

These committees generally take these studies, file them, and then make their own studies of the problems.

This process results in unnecessary delays, frustration, duplication, and waste.

Furthermore, it is obvious that the other committees of the House, which are not directly charged with the problems of small business, and which do not, for instance, have the Small Business Administration reporting directly to them, cannot possibly be as well informed regarding the difficulties which small businessmen must cope with to stay in business as the House Small Business Committee is.

As a member of the House Committee on House Administration, I have had to listen many times over the past several years to chairmen of the standing committees of the House relate their need for funds in order to carry on their constantly growing workload, a large share of which is concerned with small business and simply duplicates, or overlaps, the work which the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business has already done but cannot, in the present situation, legislate on.

House Resolution 370 would cut out the waste and redtape that for so long have cluttered up the machinery established by the Congress to serve the needs of business.

It would help assure our country's small businessmen that they would get a dollar's worth of service for each dollar they paid to support the work of the Congress.

My measure would save money, end confusion, improve the processes of government, and, in addition, would add to the confidence which the taxpaying small businessmen of our country have in themselves and in the great destiny of this free people.

I include as part of my remarks a letter from George J. Burger, vice president, National Federation of Independent Business, endorsing my House Resolution 370 and its objective which is the full recognition which small business deserves of the Federal Government.

Mr. Burger wrote in part:

To the everlasting credit of the membership of the National Federation of Independent Business, carrying out their mandate instruction in our appearances before both the Democratic and Republican plat-

form committees in convention in 1948, 1952, 1956, and 1960, we have repeatedly urged this recognition to small business.

It is our hope that the rules committee will give early consideration in this Congress and report the resolution out as there are similar resolutions also pending sponsored by Congressmen GROSS, WIDNALL, and MOORE.

I include also a letter from Mr. Burger in which the Robinson-Patman Act is described as the "Magna Carta" of small business; and the text of my House Resolution 370.

NATIONAL FEDERATION OF  
INDEPENDENT BUSINESS,  
San Mateo, Calif., May 28, 1963.

Hon. JOHN KYL,  
House Office Building,  
Washington, D.C.

MY DEAR CONGRESSMAN KYL: I noted with considerable interest your splendid action of the 27th in introducing a measure that would provide for the present House Small Business Committee to be a permanent committee of the House and giving it full legislative authority.

This is a very constructive action on your part and should be welcome news not alone to small business in your own congressional district but even more important to all small business in your State of Iowa and finally, of tremendous interest to small business throughout the Nation which includes more than 191,000 federation members, all individual members comprising all types of small business in the 50 States.

What is more important in your action is that it was spontaneous on your part.

Furthermore, you are to be congratulated for the detailed statement that you made as to the need for this action by the House.

With over a quarter of a century background on Capitol Hill in behalf of small business, plus a 54-year background in small business itself, you present a constructive statement of the need which I honestly believe is not debatable.

To the everlasting credit of the membership of the National Federation of Independent Business, carrying out their mandate instruction in our appearances before both the Democratic and Republican platform committees in convention in 1948, 1952, 1956, and 1960, we have repeatedly urged this recognition to small business.

It is our hope that the Rules Committee will give early consideration in this Congress and report the resolution out as there are similar resolutions also pending sponsored by Congressmen GROSS, WIDNALL, and MOORE.

Sincerely,

GEORGE J. BURGER,  
Vice President.

NATIONAL FEDERATION OF  
INDEPENDENT BUSINESS,  
San Mateo, Calif., June 11, 1963.

Hon. JOHN KYL,  
House Office Building,  
Washington, D.C.

MY DEAR CONGRESSMAN KYL: In your release of May 27 at the time you introduced a resolution that would provide for a permanent Small Business Committee in the House, with full legislative authority, I noted that the third recommendation you made for the need for this action by the House was relating to the field of the Robinson-Patman Act, which, in our opinion should be the No. 1 action in the Small Business Committees of both branches of the Congress.

It will be found from the record of the proposed agendas of the respective Small Business Committees at the start of any congressional year, on behalf of the membership of the federation, carrying out their mandate urging fullest enforcement of the antitrust laws, which includes the Robinson-Patman Act, we have repeatedly urged such

action by the committees—that is as to the enforcement of the act, and as to whether there is any deficiency in the present law, and if so, corrective amendments to be made.

The truth of the matter is, with over half a century background in small business, I have come to the conclusion that the increasing problems facing small business nationwide originate in the production end of our economy and then in the distribution end. Let me follow this thought a little further in an attempt to justify our action.

Due to the strong opposition from large corporate interests, including large merchandising chains when the Robinson-Patman Act was under consideration before the Congress, when finally the act became a law in 1936 it was our opinion, and we have so stated publicly, that small business looked upon this constructive action of the Congress in their behalf as their "Magna Carta."

In the early part of 1936—to be exact, on or about March 4—a large gathering of independent businessmen took place in Constitution Hall, Washington, D.C. About 1,500 or more were present that day. The gathering was addressed by the sponsors of the legislation, the late Senator Joe Robinson of Arkansas and the Honorable WRIGHT PATMAN. I was also privileged to address that group in my official capacity at that time as secretary-general manager of the National Association of Independent Tire Dealers.

A day or two later we were honored to meet with the then President of the United States at the White House, the Honorable Franklin D. Roosevelt. We urged the President, in behalf of small business, that if the legislation was finally approved by the Congress, that he would affix his signature—which he did.

It is to be noted that shortly after the enactment of the Robinson-Patman Act the views that we held as to the "Magna Carta" for small business were confirmed in the action taken in the first instance by the Goodyear Tire & Rubber Co. in canceling its contract relationship with Sears, Roebuck & Co. in the manufacture of Sears tires by the Goodyear Co.

This was due to a cease and desist order by the Federal Trade Commission issued March 5, 1936, FTC docket No. 2116. It goes without saying that that contract relationship would not have been canceled except due to the action of the Robinson-Patman Act under which the producer apparently believed and which he so stated in canceling, that they couldn't justify the price under the new law.

It is significant to note that this was one of the first "cost-plus" contracts of its kind in all industry.

Bear in mind the Commission's findings in that contract were that the quality of tires furnished to Sears was equal in every way to Goodyear's trademarked tire—first line.

Within a month or two later the B. F. Goodrich Co., having similar contract relationship with the Atlas Supply Co. (Standard Oil of New Jersey)—Atlas tires, canceled their portion of the contract with the Atlas Co., the statement coming from the president of the Goodrich Co., stating they couldn't justify the price under the new law.

Shortly after the enactment of the Robinson-Patman Act certain store managers in the employ of tire companies owning and operating retail stores stated to me: "Burger, find me a job as under the Robinson-Patman Act our company cannot keep these stores operating."

Shortly after the cancellation of the Goodrich contract with the Atlas Supply the Goodrich portion of that contract was taken up by the U.S. Rubber Co. (1936). U.S. Rubber Co. at that time in a published statement announced a new national sales policy in keeping with the full provisions of the Robinson-Patman Act.

It is to be noted a few years later, to be exact 1939, the FTC issued a cease and

desist order against the U.S. Rubber Co. on this new sales plan, charging violation of the Robinson-Patman Act. It is to be noted, in my private and official capacity we have questioned if and when that order was ever vigorously enforced by the FTC. (Refer to United States versus Economic Concentration and Monopoly—staff report to the House Small Business Subcommittee, then headed by the Honorable ESTES KEFAUVER).

As it applies to that major industry, rubber tires, in recent published statements appearing in the press as late as May of 1963 it is stated that there are now 110 or more private label tires on the market. In 1936, for practical purposes there was possibly less than a dozen.

Now what we are leading up to—the action prevailing in that particular industry apparently was noted by other factors in industry who have shaped their overall national sales policy accordingly—all tending to destroy efficient independent business at the production and distribution level.

Therefore, Congressman KYL, for these Small Business Committees to extensively check into the operations of the Robinson-Patman Act, and have the legislative authority to act when needed—this in itself would be a major obligation upon the part of the Small Business Committees; and Congress should recognize this and give them the authority to act in the same official capacity as any other standing committee which in the long run will preserve at least 4½ million small business institutions and, without a question of doubt, in preserving those institutions would ease the employment situation nationwide.

Finally, it is our opinion the Robinson-Patman Act was honestly conceived to bring about fair competition, particularly as it relates to the distribution of equal quality merchandise. That was its principal purpose and apparently something happened along the wayside to nullify the importance of the act in our economy.

Sincerely,

GEORGE J. BURGER,  
Vice President.

#### H. RES. 370

Resolved, That (a) clause 1 of rule X of the Rules of the House of Representatives is amended by inserting immediately after subparagraph (q) the following new subparagraph:

"(r) Committee on Small Business, to consist of thirteen members."

(b) Clause 1 of rule X of the Rules of the House of Representatives is further amended by redesignating subparagraphs (r), (s), and (t) (relating to the Committees on Un-American Activities, Veterans' Affairs, and Ways and Means) as subparagraphs (s), (t), and (u), respectively.

Sec. 2. (a) Rule XI of the Rules of the House of Representatives is amended by redesignating clauses 18 through 30 as clauses 19 through 31, respectively, and by inserting immediately after clause 17 the following new clause:

"18. Committee on Small Business.

"(a) Germane amendments to the Small Business Act, the Small Business Investment Act of 1958, and the Robinson-Patman Act.

"(b) The Committee on Small Business, as a whole or by subcommittee, is authorized from time to time to conduct studies and investigations of the problems of all types of small business, existing, arising, or that may arise, with particular reference to (1) the factors which have impeded or may impede the normal operations, growth, and development of small business; (2) the administration of Federal laws relating specifically to small business to determine whether such laws and their administration adequately serve the needs of small business; and (3) whether Government agencies ade-

quately serve and give due consideration to the problems of small business.

"The Committee on Small Business shall report to the House (or to the Clerk of the House if the House is not in session) the result of any such investigation, together with such recommendations as it deems advisable.

"For the purpose of any such investigation, the Committee on Small Business, or any subcommittee thereof, is authorized to sit and act at such times and places within or outside the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee of any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member."

(b) Clause 26 (j) of rule XI of the Rules of the House of Representatives is amended by striking out "paragraph 26" and inserting in lieu thereof "paragraph 27".

(c) Clause 2 of rule XIII of the Rules of the House of Representatives is amended by striking out "clause 21 of rule XI" and inserting in lieu thereof "clause 22 of rule XI".

#### PHILADELPHIA NEGRO MINISTERS

Mr. NIX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. NIX. Mr. Speaker, in this time of racial crisis in our country which arises because some of our citizens deny the constitutional guarantees to the Negro, pervert the Christian precepts they profess to hold, disregard the legal mandates of our courts, invoke fanciful concepts of law to justify illegal acts and cynically appeal to the ignorance and prejudice of their fellow citizens for political advantage, it is of the utmost importance to pay the highest tribute to a different breed of men—I refer to the Negro ministers of Philadelphia who, without hornblowing or name calling, but with a deep sense of responsibility, have set a standard for racial progress in that city. These men have made 22 demands for the employment of Negroes in specified numbers and categories upon 22 separate business establishments and in every instance their demands have been met.

Mr. Speaker, these men of good will have the respect and the confidence of the people of Philadelphia. Every one of these men has shown courage and a high degree of intellect. Each one of them has borne the burden of the fight for Negro equality through the years, and they stand collectively and individually for equal rights now, not tomorrow.

I bring this sane, and outstanding approach to racial problems to the attention of the country because it stands out as a directive to all fighters for Negro equality that methods necessary in Alabama and Mississippi may not be required in other cities.

Mr. Speaker, the Negro has fought for equal rights and human dignity; he has



hoped that his fellow citizens and his elected officials would include him in the democratic circle; he has lived on hope and believed in promises; but I say to this House with utter finality that the Negroes of the United States of America know hope to be an illusion and a snare, and after 95 years that promises are worthless. The time is now.

Mr. Speaker, the only other ray of light in our dark night of racial conflict is the stand and the speech by President Kennedy, but even this noble effort has been answered by the murder of an innocent Negro freedom fighter in Jackson, Miss. I assure this House that no force on earth can defeat the Negroes' fight for full freedom now.

In furtherance of our fight, I am today introducing legislation "to provide that the representation in the House of Representatives of each of the several States shall be reduced in proportion to the number of adult inhabitants of such State whose right to vote is denied or abridged."

Mr. Speaker, by introducing this legislation, I focus attention directly on section 2 of the 14th amendment, about which nothing has been done by the Congress of the United States during the 90-odd years since its enactment:

SEC. 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States or in any way abridged, except for participation in rebellion, or other crimes, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State.

#### FLAG DAY/ARMY BIRTHDAY

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I rise to remind my distinguished colleagues that this day has a twofold historical significance. On this date 186 years ago, the Second Continental Congress resolved:

That the flag of the United States shall be 13 stripes of red and white, with a union of 13 stars in a blue field, representing the new constellation.

Today—by proclamation of the President—Americans everywhere are paying special tribute to our national colors.

Approximately enough, Mr. Speaker, Flag Day is also the official anniversary of the organization which has insured that the American constellation could rise to its present apogee of unparalleled radiance, and could shine in the eyes of the world as the symbol of hope and of strength. Today is the birthday of

the U.S. Army, for 188 years the bulwark of the Republic, the defender of the Star-Spangled Banner.

It is fitting that the Members of the House should pause to note this occasion, and to recall for a moment the proud history of our flag and our Army.

In mid-April 1775, the embattled farmer-patriots of Massachusetts met the British regulars at Lexington Green. I need not remind you that here was fired "the shot heard round the world." From Concord to Boston, the British were engaged by the brave but poorly organized New England militiamen. Boston lay besieged. These initial hostilities marked the beginning of the long struggle for independence. Our historic predecessors in the Continental Congress had convened in the old State House in Philadelphia under the influence of an aroused populace. On June 14, 1775, the Congress determined to establish a regular Army that would later prove superior to the well-trained Redcoats. It resolved:

That six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland, and two in Virginia.

On the following day the Congress designated a Commander in Chief, the incomparable Washington, for the Regular Army and the volunteer militia.

Thus, over a year before the Declaration of Independence and exactly 2 years before the creation of our national flag, the U.S. Army was established.

On June 14, 1777, when the Continental Congress adopted Old Glory, Washington himself is said to have described the symbolism of the newly created flag: "We take the stars from heaven, the red from the mother country, separating it by white stripes, thus showing that we have separated from her, and the white stripes shall go down to posterity representing liberty."

The Continental Army embodied the spirit of the Revolution. And, for 188 years the basic mission of the Army has remained the same—the preservation of our ideals and the defense of our homeland. Indeed, the U.S. Army, born to give strength to the people's desire for independence, baptized in its own red blood of devotion to America, has demonstrated to every generation its strength of being and purpose.

That bleak winter Washington and his men suffered at Valley Forge was the first of many trials for the American soldier. I need only remind you of Anthony Wayne at Fallen Timbers, of Jackson at New Orleans, of Scott at Chapultepec. Or of Old Glory flying throughout the land, symbolic of a nation indivisible.

Throughout the last century, the Army served as the Nation's arm of authority in the untamed West. Torturous frontier fighting and unbelievable hardships were the soldier's lot, as new stars were added to the field of blue bunting. A veteran of Monterrey and Veracruz, he again fought on foreign soil, crossing the waters to Cuba and the Far East in support of national ideals and policies.

In the First World War, names only vaguely familiar to many Americans took on new and fearful meanings: Ar-

gonne Forest, Chateau Thierry, St. Mihiel—all became synonymous with the roar of gunfire and the struggles of men. The world saw the Stars and Stripes raised victoriously alongside the British Union Jack and the French Tricolor.

Then World War II came, and the American soldier carried our flag over four continents. He fought in sun-baked deserts, humid jungles, and frozen fields. At Normandy and at Okinawa he died so that the ideals of Old Glory might be preserved.

And Korea—where Heartbreak Ridge, Pork Chop Hill, and the 38th parallel became new landmarks on our soldier's map. This time the Stars and Stripes joined the blue and white banner of the United Nations whose wreath and globe symbolize our Nation's determined quest for the grail of universal freedom and eternal peace. And here again, our soldiers displayed the same indomitable will that has always been the hallmark of our Army.

At this very hour American fighting men are serving in the cause of freedom throughout the world, opposing the Communist aggression that threatens the self-determination of our friends and, ultimately, our own security. Acutely conscious of its foundation in the enduring and patriotic spirit of Washington's Continental force, of its own birth in freedom, the U.S. Army stands today—as it has for 188 years—squarely astride the tyrant's path.

Mr. Speaker, 7 years ago, in a ceremony here at the Capitol, the new Army flag was unfurled. This flag bears 145 battle streamers, commemorating campaigns fought in defense of our freedom, our homes, and the freedom and homelands of others dedicated to the principle of self-determination.

On this occasion, then, as Americans salute their national flag, let us honor also the Army flag, and express the appreciation of a grateful nation for the bright record of unflinching service that this distinguished organization has so long rendered our country. The Army has guarded the American constellation as it grew from 13 Colonies to 50 States. And its emblem's motto, "This We'll Defend," carries us with confidence and security into the future.

#### FEDERAL-AID HIGHWAY NEEDS STUDY AND RECOMMENDATIONS FOR A 10-YEAR HIGHWAY PROGRAM COMMENCING WITH FISCAL YEAR 1972 WHEN THE PRESENT INTERSTATE AND DEFENSE HIGHWAY PROGRAM ENDS

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, on June 10, 1963, I introduced House Joint Resolution 464, to authorize and direct the Secretary of Commerce, acting in cooperation with all other interested Federal departments, agencies, and instrumentalities, and with the States—acting

through their highway departments—to make a comprehensive investigation and study of the types and volumes of estimated highway traffic projected for 20 years after completion of the current Federal-aid highway program, which is scheduled to terminate in 1972. As ranking minority member on the Roads Subcommittee of Public Works, I believe attention must be focused on this problem now. This investigation and study would include, among other things, any changes—including the construction, reconstruction, and improvement of highways—which may be necessary in the Federal-aid highway systems to accommodate traffic forecast for 20 years or 1992, the cost of such changes, the extent of Federal participation in such costs, methods for financing such Federal costs, methods of apportioning Federal-aid highway funds among the States, examination of the possible creation of a new Federal-aid highway system or systems, examination of possible extension of the National System of Interstate and Defense Highways, examination of toll road problems including the extent to which toll facilities have been or may be established on existing Federal-aid highway systems and whether or not other toll facilities should be established on these systems. This joint resolution would require the Secretary of Commerce to submit to Congress within 10 days after January 2, 1966, the results of the investigation and study, together with a recommended Federal-aid highway program for the fiscal year ending June 30, 1972, and for each of the 9 succeeding fiscal years, including recommendations as to the financing of such program.

The current accelerated highway program was launched by the Federal-Aid Highway Act of 1956 and provides for completion of the 41,000-mile Interstate System with appropriations authorized through fiscal year 1971. The Congress is also carrying out the intent expressed in connection with enactment of the 1956 act to add \$25 million annual incremental increases to the authorizations for the Federal-aid primary highway system and the Federal-aid secondary highway system, and extension of these systems in urban areas—known as the A-B-C program—until it reaches a \$1 billion total yearly authorization. The financing of this current program has been provided for by enactment of the Highway Revenue Act of 1956, as amended, which created the Highway Trust Fund and appropriated to such Fund amounts equal to certain highway user taxes and fees to be collected prior to October 1, 1972.

Federal-aid highway funds have been apportioned to the States for the fiscal years through 1964, and the States are utilizing their apportionments of both Interstate and A-B-C funds at an acceptable rate. The highway trust fund is in sound condition to support the current program. Twelve thousand two hundred miles of the 41,000-mile Interstate system have been improved and are opened to traffic, in addition to the 2,368 miles of toll facilities incorporated into the system. The improved nontoll mileage includes over 9,000 miles com-

pleted to acceptable standards for 1975 traffic, in accordance with the present requirements of law; 5,000 more miles are under construction, and engineering or right-of-way acquisition is underway on 11,300 miles of the system. The goal of the U.S. Bureau of Public Roads and the State highway departments is the completion of the total 41,000-mile system by October 1, 1972.

To meet this goal, the Federal Highway Administrator recently pointed out that the final construction contracts under the present program should be awarded in 1970, that the final design work and right-of-way acquisition should be underway no later than 1968, and that right now the last of the studies on route locations should be winding up.

On that basis, the necessary and orderly continuation of the highway program after fiscal year 1971 requires that construction planning, traffic surveys, and route location studies be commenced in the near future, so that there will be a firm program for continuation of highway improvement to take up where the present program leaves off.

The undertaking of such construction planning, surveys, and studies is dependent, to a great degree, upon prior determination by the Congress of the nature and extent of a program for continuing improvement of the Federal-aid highway systems and the authorization of appropriations therefor. To avoid the adverse impact upon the Nation's economy which would result from an abrupt substantial reduction in the amounts expended annually for the improvement of Federal-aid highways; to avoid the slow and costly replacement of staffs and equipment inventories again to accelerate the Federal-aid highway program at a later time; and to continue the effort commenced by enactment of the Federal-Aid Highway Act of 1956 to meet the growing transportation requirements of the Nation, it is essential that a study be made of the needs for further improvement of the Federal-aid highway systems after completion of the current program to enable the Congress to make timely provision for continuation, to the extent and as determined necessary, of the Federal-aid highway program after fiscal year 1971.

The American Association of State Highway Officials has recognized the necessity for an early reappraisal by the Congress of the Nation's highway needs to determine whether it is in the national interest to extend the Interstate System and, if so, to what extent, and to further evaluate the size of the A-B-C program, and the justification for Federal aid to these highway systems. Such expressions were included in the 1963 policy statement of AASHO, adopted at its annual meeting at Bal Harbour, Fla., in December 1962. Mr. John C. Mackie, State highway commissioner for the State of Michigan, and president of AASHO, in testifying before the House Roads Subcommittee on May 28, 1963, pointed out that it is the considered opinion of AASHO that the currently authorized interstate and A-B-C programs have progressed to where the Congress should direct the Secretary, in cooperation with the State highway de-

partments, to study the continuing and future highway needs and report back to the Congress in January 1967. Maj. Gen. Louis W. Prentiss, executive vice president of the American Road Builders Association, in testifying before the Roads Subcommittee on May 29, 1963, advised that his association considered it imperative that comprehensive studies be commenced in the near future to consider the highway construction needs of our Nation in the decade beginning in 1971.

The Kennedy administration has not submitted any recommendation to the Congress for the making of a highway needs study, and for the formulation of a program for highway improvement during the 1970's although it is understood that the Bureau of Public Roads has been planning such an undertaking for sometime. It may be more than coincidental that at the same time the President is recommending that essential interstate highway projects in the District of Columbia be deferred, pending a careful reexamination of the highway program in the District of Columbia in connection with the transit development program, the administration is making no effort to recommend to the Congress that a study be undertaken and a program developed for orderly continuation of needed highway improvement. There is growing concern that the New Frontier is following a carefully conceived plan to delay or stop needed highway construction in urban areas, so as to force people to use mass transit facilities and thereby making the construction of rapid transit appear more economically feasible. I sincerely hope that this is not the attitude of the administration, but since it has taken no action to request authority to make a highway needs study and to recommend a continuing highway improvement program nationally, it is up to the Congress to see that timely action is taken which is the purpose of House Joint Resolution 464.

A corrected copy of House Joint Resolution 464 follows:

#### H.J. Res. 464

Joint resolution to provide for a study of needed Federal-aid highway programs for ten years following the termination of the present interstate and defense highway program by requiring the Secretary of Commerce to make a comprehensive investigation and study of highway traffic and needs based upon twenty-year projections, and the changes determined necessary in the Federal-aid highway systems as a result thereof, and to report the results of such study and his recommendations for a ten-year highway program commencing June 30, 1971, to Congress

Whereas, by the provisions of section 101 (b) of title 23, United States Code, it is declared to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the National System of Interstate and Defense Highways, hereinafter called the "Interstate System", and the Congress expressed its intent that the Interstate System be completed as nearly as practicable over the period of availability of the appropriations authorized for its construction, reconstruction, or improvement, and that the Interstate System in all States be brought to simultaneous completion; and

Whereas appropriations have been authorized through the fiscal year ending June 30, 1971, for the construction, reconstruction,



or improvement of the Interstate System; and

Whereas, to carry out the intent of Congress, final contracts for construction of the Interstate System should be awarded during the fiscal year ending June 30, 1971, and final design work and right-of-way acquisition should be underway no later than the fiscal year ending June 30, 1969; and

Whereas, for the necessary and orderly continuation of needed improvement of the Federal-aid highway systems after the fiscal year ending June 30, 1971, construction planning, traffic surveys, and new route location studies should be commenced not later than the fiscal year ending June 30, 1968; and

Whereas the undertaking of such construction planning, surveys, and studies is dependent upon prior determination by the Congress of the nature and extent of a program for continuing the improvement of the Federal-aid highway systems and the authorization of appropriations therefor; and

Whereas to avoid the adverse impact upon the Nation's economy which would result from an abrupt substantial reduction in the amounts expended annually for the improvement of Federal-aid highways; to avoid the slow and costly replacement of staffs and equipment inventories again to accelerate the Federal-aid highway program at a later time; and to continue the effort commenced by enactment of the Federal-Aid Highway Act of 1956 to meet the growing transportation requirements of the Nation, it is essential that a study be made of the needs for further improvement of the Federal-aid highway systems after completion of the current program to enable the Congress to make timely provision for continuation to the extent and as determined necessary of the Federal-aid highway program after the fiscal year ending on June 30, 1971: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Commerce, acting in cooperation with all other interested Federal departments, agencies, and instrumentalities and with the States (acting through their highway departments) shall make a comprehensive investigation and study of—*

(1) types and volumes of estimated highway traffic as projected for twenty years;

(2) any changes (including the construction, reconstruction, and improvement of highways) which may be necessary in the Federal-aid highway systems needed to accommodate such traffic;

(3) the cost of such changes;

(4) the extent of Federal participation in the cost of such changes;

(5) methods for financing such Federal costs; and

(6) methods of apportioning Federal-aid highway funds among the States.

(b) The investigation and study authorized by this section shall include, but not be limited to, the following:

(1) the estimated traffic and the required changes in each existing Federal-aid highway system on a State-by-State basis, as well as on a national basis;

(2) an examination of the present system of highway classification for the purpose of determining whether such highway classification should be continued or should be placed on a functional basis;

(3) an examination of the possible creation of a new Federal-aid highway system or systems;

(4) an examination of the possible extension of the Interstate System with particular reference to—

(i) additional mileage.

(ii) the use of such additional mileage to include in the System those highway links which should be supplied to more fully complete the System, and

(iii) revision of methods and standards for allocation of mileage and funds for such System; and

(5) an examination of toll road problems, the traditional policy that highways constructed with Federal funds should be toll free, the extent to which toll facilities have been or may be established on existing Federal-aid highway systems, and whether or not other toll facilities should be established on existing or future Federal-aid highway systems.

Sec. 2. The Secretary of Commerce shall submit to Congress within ten days after January 2, 1966, the results of the investigation and study authorized by this joint resolution. This report shall include his findings and recommendations on each specific item referred to in the first section of this joint resolution and shall contain a recommended Federal-aid highway program for the fiscal year ending June 30, 1972, and for each of the nine succeeding fiscal years, including recommendations with respect to the financing of such program.

#### SOCIAL SECURITY ACT AMENDMENTS INTRODUCED

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, today, I have introduced a bill to amend title 2 of the Social Security Act to permit both men and women to retire with full benefits at age 62.

The purpose of this measure, of course, is to help meet the plague of persistent unemployment. All of us are aware of the technological revolution that is sweeping the world—a revolution which is both challenging and terrifying. The terror can be traced in part to the fact that we now have at our fingertips the means of destroying every vestige of civilization. But there is another terror connected with today's technology—the terror of being without work, of wanting to provide for one's self and one's family but being unable to find employment opportunity.

It is estimated that unemployment will increase during the next 19 months to more than 7 percent of the work force or more than 5 million people. Efforts of this administration, including tax reduction to pump new purchasing power into the economy, retraining, area redevelopment, and accelerated public works, to mention only a few, seek to bring about a full economy so that unemployment will decrease significantly after the early months of 1965.

I am sure all of us are aware that after each of the last four recessions the economy snapped back but employment did not. Each recovery found a higher rate of unemployment than following the previous recession. Economists advance many reasons for this but it is generally accepted that automation is an important factor and will become more so in the months ahead.

We also know that our economy must create somewhere in the neighborhood of 30,000 to 50,000 new jobs every week during the next decade for millions of

new workers and millions of others whose jobs will be affected by technological change.

The question is whether these jobs can be manufactured fast enough to approach full employment, using the present definition of jobs and the present means of providing them.

I am afraid the answer is "no." Unemployment today cannot be regarded as a temporary situation that will be eliminated by the next turn of the business cycle or by the simple expedient of tax cuts. Involved in today's unemployment is a major national problem which the country has only begun to face up to. Between now and 1970, about half of the new openings in the labor force will go to those in the age bracket between 14 and 24. But as technology advances, it will be harder and harder for people in this age group to find jobs, so that between 1970 and 1975 only about a quarter of new additions to the labor force will be between 14 and 24, while the 25- to 44-year age bracket will expand rapidly to about 50 percent.

There is one other aspect to this problem that more people must understand in connection with automation and technology, and that is that the growth rate of new jobs just is not holding up. During the 10 years from 1947 to 1957 jobs increased at the rate of 1.9 percent a year, but since 1957 the rate has fallen by half, to less than 1 percent. And this has happened, as we all know, at a time of population explosion when the demand for more jobs for newcomers to the labor market has reached an all-time high.

All of these facts seem to me to point to one conclusion. If, in the face of changing technology and other factors of mid-20th century life, there simply are not enough jobs for our burgeoning population, then through a process of selectivity we must determine who works and who does not. There are those who say that everyone can work if he or she really wants to. This is patent nonsense. There are those who say that unemployment can be eliminated if we go to a shorter workweek. To my mind that represents the least efficient and most expensive alternative open to us.

Ideally the answer to unemployment is to improve our process of distribution and to meet hitherto unmet demands. Our goal should be to eliminate the poverty which cripples nearly 10 million American families so that these people can become productive citizens and consumers of the great variety of goods and services available. But this is a slow process. The hard fact we face is that steps must be taken now to limit our labor force to something close to the number of available jobs if unemployment is to be curbed, even if this means eliminating from the labor force those who are willing and able to work.

We know that voluntary retirement takes a long step in this direction. In 1956 the retirement age for women was reduced from 65 to 62 on a reduced benefits basis and as a direct result, 650,000 women retired from the labor market within a year's time. Similarly, when retirement at age 62 was made optional for men, again on a reduced benefits

basis, 525,000 men retired from the labor force within a year.

These were useful first steps, Mr. Speaker, but we know it simply has not been possible for substantial numbers of working people to retire at 62 on reduced benefits. By taking the step proposed in the bill I have introduced, I am confident that between 2 and 3 million men and women between the ages of 62 and 65 will choose to retire rather than remain on the job. I can think of no quicker way of creating this number of job opportunities. The cost, let me say, is anything but prohibitive. The Social Security Administration advised me that the benefits under my bill will call for an increase of 0.82 percent of current payroll—which of course would be divided equally between employer and employee. This is not a welcome expense, to be sure, but it is minimal compared to the staggering and persistent costs of unemployment.

#### POLICY FOR EXPENDITURE CONTROL

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include a letter written by the Republican members of the Joint Economic Committee pertaining to an expenditure policy which has been recommended to the President.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. Mr. Speaker, in the 1963 Annual Report of the Joint Economic Committee, the minority members, in their separate views, urged that a Presidential Advisory Commission on Federal Expenditures be appointed to undertake a thorough, objective, and nonpartisan examination of Federal expenditure policy. It was our belief that thoughtful and selective control of Federal expenditures—far from impairing the national interest—would increase our security and stimulate our economic growth.

The recent fiscal record of the Federal Government makes abundantly clear that the budget will not be balanced within the foreseeable future unless more hard thought and attention is given to controlling rapidly rising levels of Federal spending. From fiscal 1961 through the estimates for fiscal 1964, for example, the Kennedy administration will have increased Federal spending at an average annual rate of 7 percent, contrasted to an average annual increase of 2.2 percent from 1954 to 1960. Budget deficits from fiscal 1961 through the estimates for fiscal 1964 will total about \$30 billion, or more than the net deficits of the previous 8 fiscal years combined.

Looking to the future, Dr. Arthur Burns told the Joint Economic Committee recently that his estimates showed that, if the Administration's tax program is approved and if expenditures continue to increase at the recent rate, the budget would not be in balance before 1972 and the public debt would rise about \$75 billion above the level at the close of fiscal 1963.

In order to underscore our concern about the need for expenditure reform, the Joint Economic Committee minority members also wrote to the President, making the suggestion for an Advisory Commission on Federal Expenditures and specifically listing the tasks which such a Commission might usefully undertake. Because the President himself has made numerous statements about the importance of expenditure reform, it was felt that our suggestion would be welcomed by the administration both as a means to initiate a responsible and nonpartisan review of expenditure policy and, additionally, as a way to demonstrate its desire to make genuine progress in this area.

Regrettably, the administration has rejected the suggestion. Under unanimous consent I include a copy of the letter of the minority members of the Joint Economic Committee to the President and the reply by the Director of the Bureau of the Budget, Kermit Gordon, in the Record at the conclusion of my remarks.

Essentially, the administration gives three reasons for rejecting the suggestion. First, the claim is made that the administration already is exercising "expenditure discipline." It is said—and we have heard this many times before—that expenditures for other than defense, space, and interest will decline slightly from 1963 to 1964. The fact is that this illusory decline in civilian spending would be achieved by selling off assets of the Government to conceal increases in spending.

Senator WILLIAM PROXMIRE, in individual views to the Joint Economic Committee's 1963 Majority Report, makes clear that domestic spending will increase by \$2 billion from 1963 to 1964. Senator PROXMIRE said:

This year's budget by various bookkeeping transactions conceals the real increase in spending in the domestic sector.

The reason the \$2 billion increase doesn't show up is because the administration plans to sell \$700 million of the cotton surplus, \$423 million of Export-Import Bank holdings, \$315 million of Federal National Mortgage Association and Federal Housing Authority mortgages, \$300 million in Commodity Credit Corporation loans, \$150 million in farm housing loans, and \$150 million in college housing loans. This total of \$2 billion of liquidated assets will be used to offset increased spending in almost every department of Government.

Senator PROXMIRE added that the surest index of expanded spending is the increase in Government employees planned for the coming fiscal year—36,492 in all. As Senator PROXMIRE said, every department of Government, except Defense, will increase its employees in the coming budget year.

If this is an example of the "rigorous expenditure control" claimed by the administration, then there is little hope—if any—of ever eliminating budget deficits short of taking bold and imaginative action along the lines which we have recommended to the administration.

The second reason given for the rejection of the Commission idea is that the President believes that the established procedure, with the administra-

tion submitting its budget estimates and legislative program for review and decision by Congress, is the most satisfactory approach for determination of sound and effective expenditure policies. As a matter of fact, it should be quite clear that our suggestion would not supplant the established budget procedure. Rather it would improve upon it.

When asked about the suggestion for a Commission on Federal Expenditures at his press conference on April 4, the President himself expressed his satisfaction with present procedures and professed to see no merit in suggestions to improve upon those procedures. The sanctity with which the bold thinkers of the New Frontier regard "established procedures" that have led to a steadily mounting series of large budget deficits is curious to behold.

Emerson P. Schmidt, a distinguished economist and the director of economic research of the U.S. Chamber of Commerce, told a subcommittee of the Joint Economic Committee on April 30 that the President apparently was not fully aware of the nature of the Republican proposal when he brushed it off so lightly at his press conference. As Mr. Schmidt said, the President clearly ignored the significant proposals in his response. Certainly, said Mr. Schmidt, many other individuals are not entirely satisfied with the budget system, or lack of system. He added that "such traditional thinking" as was represented by the President's reply—as well as by the Budget Bureau's recent letter—is not good enough with an annual budget of over \$120 billion.

Finally, the suggestion for the organization of a Commission on Federal Expenditures was rejected because, in Mr. Gordon's words:

We are not able to see how it could make a direct or significant contribution to the resolution of those issues of public policy which constitutionally and properly rest with the President and the Congress.

Mr. Gordon's letter goes on to say that such a Commission might have the opposite result by obscuring the public understanding of the "locus of responsibility for resolving such issues."

This statement totally ignores the highly useful service performed for the Nation by a large number of presidential advisory commissions through the years, including those set up by the present administration. While there are many such special commissions, I need mention only a few to make clear the contribution which such bodies can make to the development of sound public policy.

Most recently, the Commission to Strengthen the Security of the Free World—Clay Commission—was created by the President to make recommendations on our foreign-aid program. The President has also created an Advisory Commission on Labor-Management Policy, which has performed and is continuing to perform an important public service. We all know the vital contribution to improvements in the organization of the executive branch which was made by the two Hoover Commissions. In the field of foreign trade, the Commission on Foreign Economic Policy—Randall Commission—performed outstanding



service. Clearly, rejection of the commission approach for the reasons stated by the Bureau of the Budget is a lame excuse, indeed, to cover up the administration's apparent indifference to genuine and nonpartisan expenditure reform.

It is my hope and the hope of the other minority members of the Joint Economic Committee that the administration will not close the door on efforts to examine expenditure policy along the lines we have suggested. While the administration may not consider it appropriate to study all seven areas outlined in our letter at this time, a start should be made somewhere. We earnestly implore the President and his advisers to review our suggestion again in order that a beginning may be made in undertaking some of the urgent tasks which we outlined and which are in addition to those steps which the administration says it intends to pursue in order to realize budgetary savings.

The economic importance of expenditure policies has been forcefully emphasized by the Subcommittee on Fiscal Policy of the Joint Economic Committee in its unanimous report of January 23, 1958. In that report, the subcommittee, with Congressman WILBUR D. MILLS as chairman, said:

Increasing emphasis on economic growth necessarily focuses attention on Federal expenditure policies. The Federal Government is the largest industry in the United States. Its direct purchases of goods and services account for a substantial share of the economy's total output; its effects on the amount and character of economic activity are even greater than can be indicated by any such statistic.

In part, these influences stem from the means by which the Federal Government's activities are financed. This subject was extensively investigated in 1955 by the Subcommittee on Tax Policy of the Joint Economic Committee in its study of Federal tax policy for economic growth and stability. The character and extent of the Federal Government's spending activities, however, may be of even greater consequence.

With the growth of Government increasing steadily, the advice of the subcommittee is even more valid today than it was 5 years ago. It would be a serious misfortune, indeed, if the administration failed to grasp the opportunity to begin now the serious and wide-ranging examination of the Government's spending policies which is so urgently needed.

U.S. CONGRESS,  
JOINT ECONOMIC COMMITTEE,  
Washington, D.C., March 19, 1963.

THE PRESIDENT,  
The White House,  
Washington, D.C.

MR. PRESIDENT: In response to your recent invitation for a continuing dialog on the major economic issues before the Nation, we should like to set forth some of our observations on your proposed 1963 tax program and to offer a suggestion for expenditure control which we believe would contribute to sound and stable long-term economic growth.

While we recognize that knowledge of the sources of economic growth and the means of accelerating it are limited, it seems clear that well-conceived incentive tax reduction and reform is a major and necessary step toward improving upon our Nation's rate of economic growth. We have long supported tax reductions and reform as a high priority objective of our economic pol-

icy. However, it is also clear that such a program will involve costs as well as benefits. These costs must be weighed and, if possible, offset.

One cost will be budget deficits higher than those which would have been incurred without the tax cut. These would follow 3 years of steadily mounting deficits which have totaled more than \$19 billion, or more than the net deficits of the previous 7 fiscal years combined. Some opinion holds that budget deficits need not concern us. We do not share this view.

The experience of the past suggests that it would be reckless to ignore the inflationary dangers posed by persistent and increasing deficits. The state of economic learning is neither so advanced nor so precise as to safely admit any other conclusion as a guide to policymaking. Sound long-term economic growth cannot be based upon a foundation of budget deficits. Furthermore, we cannot ignore the adverse effects such deficits could have on our continuing balance-of-payment problem and on the entire free world trade and payments system.

Recognition of the potential dangers of chronic budget deficits is implicit in your proposed tax program. As one of its objectives, the program seeks to bring the budget into balance by stimulating economic activity and thus increasing revenues.

We should not, however, pin all of our hopes for ending our chronic deficits on the possibility of rapidly rising tax revenues. It is clear that hard thought must be given to the other side of the ledger—to controlling rapidly increasing Federal expenditures.

We do not suggest an across-the-board cut in Federal spending. In view of the Nation's domestic needs and international and security commitments, such an approach would be self-defeating. What we should seek, however, is a reform of Federal expenditure policy so as to effect important savings without impairing the national interest or retarding economic growth. Indeed, thoughtful and selective control of Federal expenditures can increase our national security and stimulate our economic growth.

In view of these considerations, we believe that Federal expenditure policy requires thorough, objective, and nonpartisan examination. Support for the principle of tighter control and more effective use of Federal expenditures is virtually unanimous; support for specific suggestions for achieving it is more difficult to attain. The difficulty of the task, however, should not deter us from making the attempt.

In our separate minority and additional views to the Joint Economic Committee's 1963 Annual Report, we made several specific suggestions which we believe offer a sound basis for a reform of Federal expenditure policy. At this time, we wish to call one of these recommendations to your attention and ask that you give it your serious consideration.

As an essential step to a reform of Federal expenditure policy, we suggest that you appoint a Presidential Advisory Commission on Federal Expenditures, composed of private citizens from business, labor, education, the professions and Members of Congress equally from both parties. The work of this Commission, assisted by a staff, should parallel the 3-year period over which your tax program is scheduled to take effect. During this period, the Commission should conduct studies and periodically make public its recommendations in the following areas:

(a) Establishment of spending priorities among Federal programs, separating the desirable from those that are essential, in order to serve as a guide to the administration in drawing up the budget, particularly in years of expected deficits.

(b) Appraisal of Federal activities in order to identify those programs which tend to

retard economic growth and for which expenditures should be reduced or eliminated.

(c) Improvement of the Federal budgeting and appropriations process in order to increase the effective control of expenditures.

(d) Examination of responsibilities and functions which are now assumed by the Federal Government, but which could be better performed and with superior effectiveness by the private economy.

(e) Review of Federal responsibility and functions in order to determine which could be better performed at the State and local levels.

(f) Improvement of Government organization and procedures in order to increase efficiency and promote savings, including a review of the recommendations of the Hoover Commission in order to determine how those already implemented have worked out in practice and whether those not yet implemented should be given further consideration.

(g) Determination of policies with regard to the level of user charges and fees to be made for special services furnished to members of the public by the Government.

The recommendations of an objective and nonpartisan Commission of the kind described should command widespread support among the public and within the Congress. Its proposals would offer a sound basis upon which to begin the reform of Federal expenditure policy.

In view of the relevance which expenditure control has for the success of a tax reduction and reform program, we earnestly hope you will give this recommendation your early and favorable consideration.

Respectfully yours,

THOMAS B. CURTIS.  
CLARENCE E. KILBURN.  
WILLIAM B. WIDNALL.  
JACOB K. JAVITS.  
JACK MILLER.  
LEN B. JORDAN.

EXECUTIVE OFFICE OF  
THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., May 25, 1963.

HON. THOMAS B. CURTIS,  
House of Representatives,  
Washington, D.C.

DEAR MR. CURTIS: The President has asked me to convey to you and your minority colleagues on the Joint Economic Committee his thanks for your thoughtful letter of March 19, concerning Federal tax and expenditure policies and the goal of a prosperous and growing economy.

We welcome your support for the view that a wisely-conceived program of tax reduction and reform will contribute to improving the rate of growth of our economy. We are pleased, also, to note that you dismiss an across-the-board cut in Federal spending as self-defeating—a view in which we fully concur. Finally, let me say that we welcome and appreciate your recognition that the President's fiscal program seeks to eliminate budget deficits by the method which we regard as most constructive and most promising—an expansion in economic activity and in Federal revenues stimulated by the realignment of our tax system.

The continued exercise of expenditure discipline is a vital part of the President's fiscal program. As you know, the President's administrative budget recommendations called for the total of all expenditures other than defense, space and interest to decline slightly from 1963 to 1964. Since the 1964 budget was submitted to the Congress in January, this continuing search for economies has enabled the President to reduce his appropriation requests by \$615 million for fiscal 1964 and an additional \$235 million for fiscal 1963.

Rigorous expenditure control will characterize future budgets as well. In his 1964 budget message, the President said:

"As the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the revenue increases must go toward eliminating the transitional deficit."

This means that the transitional deficit is to be reduced by holding any necessary increase in expenditures to an amount substantially below the accompanying increase in revenues. To help in achieving this objective, we intend to pursue budgetary savings through (1) the further substitution of private for public credit; (2) the search for opportunities to reduce expenditures in existing programs whose relative urgency may have diminished with changing times and circumstances; (3) the further extension of the user charge principle; and (4) intensified emphasis on efficiency and cost reduction throughout the Government. In other words, we expect to intensify our efforts to include in the budget only those expenditures which meet strong criteria of fulfilling important national needs and to insure that those needs are met at the lowest possible cost.

Taking all of this into account, we believe that the established procedure, under which the President presents his budget estimates and legislative program for review and decision by the Congress, is the most satisfactory approach to determining sound Federal expenditure policies. While an advisory commission such as you suggest might perform a constructive collateral service through stimulating informed discussion of fiscal policy and program objectives, we are not able to see how it could make a direct or significant contribution to the resolution of those issues of public policy which constitutionally and properly rest with the President and the Congress. In fact, by obscuring public understanding as to the locus of responsibility for resolving such issues, its efforts might well lead to an opposite result. For these reasons, the President is unable to join you in recommending that such a body be established. We very much appreciate, however, the constructive and cooperative spirit in which your proposal was made.

Sincerely yours,

KERMIT GORDON,  
Director.

#### BRACEROS NEEDED TO HARVEST PERISHABLE CROPS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, the gentleman from Texas [Mr. GONZALEZ] has just addressed the House with regard to the bracero program. He quoted one small part of an article that appeared in the Christian Science Monitor. I would like to ask the gentleman from Texas to quote the full article from the Monitor as it portrays both sides of the issue. I have that article in my office. I wish I had it here now to read it. But he picked out one part of it out of context. Now I want to say to the gentleman from Texas that his colleague, the gentleman from Texas, JOE KILGORE, sent me a file a day or two ago that was sent to him by Mr. Will Wallace, a constituent from Edinburg, Tex. Mr. Wallace had 500

acres of cantaloups that badly need to be harvested. He went to see a labor leader, Mr. Bob Sanchez, an attorney in the county seat where Edinburg is located. This labor attorney represented the Spanish-speaking people in that vicinity who did agriculture work.

The SPEAKER. The time of the gentleman has expired.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. All business being disposed of, if there is no objection, the gentleman may proceed.

There was no objection.

Mr. GATHINGS. After the two men had arrived at an understanding Mr. Wallace asked the labor leader to work up a contract to suit himself so that he could harvest the 500 acres of cantaloups. A contract was executed and agreed to. Here is what happened. Instead of 70 cents an hour which was the prevailing wage in the community, the contract called for 75 cents an hour with an additional 25 cents an hour if they stayed until the harvest was completed. He said in this letter to Joe, it just "could not miss," it was bound to work, "but miss we did." The result was it did not work. He did not get sufficient labor, although he bought 200 spot announcements in Spanish over the radio and distributed hand bills in quantity.

On the first day, May 15, 1963, only 34 turned out to work. On the next day it was 41. On May 17, 30 worked. On May 18 only 15 workers came to work. He needed about 200 or more workers to harvest the cantaloups. Starting on May 25 the school officials sent football players and they did well in the harvest. Our people do not like to do this back-breaking field work. Those who have opposed this Mexican program over the years have said constantly, "If you pay enough you will get the labor." Here is what happened in Edinburg, Tex. Thirty cents an hour in excess of the prevailing local rate was offered and the workers in sufficient number could not be found. Bracero labor is the only dependable source and there will be no law on the statute books authorizing a supplemental supply of labor from the Republic of Mexico unless the law is extended. Crops that cannot be cultivated and harvested by mechanical means will deteriorate and rot in the fields. Food prices will soar.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. WAGGONER. Mr. Speaker, I ask unanimous consent that the gentleman from Arkansas [Mr. GATHINGS] may proceed for an additional minute.

The SPEAKER. The Chair will state that the Chair is permitting this request although the Chair does not consider this to be the 1-minute period such as we have before proceeding with the regular business of the House.

Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. GATHINGS. I thank the Speaker and I am grateful to him. I also appreciate so much the gentleman from Louisiana asking for this additional minute.

Mr. Speaker, I would like to continue this little story and I want also to extend my remarks and to include the file that JOE KILGORE sent to me.

Mr. HAYS. Mr. Speaker, reserving the right to object, perhaps it ought to go into the Appendix of the daily RECORD or anyplace else. How big is this article? Would the gentleman withdraw his request at this time and continue with his talk at this time?

Mr. GATHINGS. I will withdraw the request and wait until I do have the article so that I can show it to the gentleman from Ohio.

But suffice to say, Mr. Speaker, cantaloups need harvesting when they are ripe and ready to harvest. That is the same situation that exists with reference to strawberries and citrus fruits and various vegetables. You have to have the labor to harvest these crops at the right time. I wish more of our folks would work at farm jobs but they are on relief and they are getting unemployment and other checks and commodities and they do not want to do this kind of work. That is understandable as it is hard work. We do need this law extended. It was only by a 16 vote margin that this House turned down the proposed extension for 2 years of the bracero law. When the facts are known, the legislation will pass as it benefits the farmer, consumer, the worker, and the economy of Mexico.

The SPEAKER. The time of the gentleman has again expired.

#### REQUEST FOR PERMISSION TO ADDRESS THE HOUSE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BROMWELL. Mr. Speaker, I object.

#### MENTAL RETARDATION

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include bills pertinent thereto.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, in my opinion, Mr. Speaker, the administration bill to combat mental retardation and improve mental health will not adequately do the job intended. The omnibus approach to this type of legislation has been found to be ineffective and subject to considerable objection and delay.

Because of this and after much study and consultation, I am today introducing for appropriate reference three separate bills confined solely to the area of mental retardation. These three bills, taken together, comprise the essential components of a unified and effective program to combat the problem.

The first of these three bills relates to a greatly increased maternal and child health and crippled children's program. The second concerns the construction



of clinical and service centers for the mentally retarded in the community, and the construction of research centers and mental retardation facilities that are affiliated with university and medical school programs. The third contains provisions for the training of teachers of the mentally retarded and for research and demonstration projects relating to the education of mentally retarded children. I am including the bills and a summary of them at the end of my remarks.

Mr. Speaker, these bills contain many of the provisions in the bills previously introduced, to carry out President Kennedy's mental retardation program.

The first of these three bills is, in fact, identical with the maternal and child health and mental retardation planning bill, H.R. 3386. My motive for introducing an identical bill is this: I wish to leave no doubt in anyone's mind as to where I stand in relation to the provisions of these bills. I am for these provisions, and I consider their adoption by this House to be of critical importance.

However, despite the similarities between the other two bills I am introducing today and the bills that were previously introduced, I consider the differences between these bills to be essential to the successful enactment of the President's general proposals and the implementation of his goals.

The essential differences are these:

Unlike H.R. 3689, entitled "The Mental Retardation Facilities Construction Act of 1963," my bill contains a separate title to provide grants for the construction of university-affiliated facilities for the mentally retarded. These grants are to be made whenever or wherever a university or medical school is ready to develop a suitable facility, quite apart from the readiness—or lack of readiness—of the State to develop community mental retardation facilities under the State formula mechanism described in H.R. 3689.

H.R. 3000, entitled "The National Education Improvement Act of 1963," is the administration's omnibus education bill. It consists of six titles, and contains provisions for such educational matters as modern foreign language training and research, student work-study programs, public community libraries, and adult basic education. Of the 182 pages of the printed bill, less than 4 pages relate exclusively to the educational problems of the mentally retarded.

Mr. Speaker, I maintain that the educational problems of the mentally retarded are too important a matter to be buried in the center of an omnibus bill.

I would like, too, to reaffirm the fact that my interest in providing for appropriate educational opportunities for the mentally retarded has not decreased since I introduced in this House the bill which later became the act of September 6, 1958—Public Law 85-926—and which H.R. 3000 seeks to amend.

Mr. Speaker, I consider this a suitable occasion on which to refocus the attention of this House upon the goals of the President's proposals relative to mental retardation.

As stated in his message of February 5, these include, first, the prevention of

the occurrence of mental retardation; second, the providing of facilities and programs for research and for early diagnosis and continuous and comprehensive care, in the community, of those suffering from mental retardation; third, the restoration and revitalization of the lives of the mentally retarded in the community through better health programs and strengthened educational services; and fourth, the reinforcing of the will and capacity of our communities to meet the problems of mental retardation, in order that the communities, in turn, can reinforce the will and capacity of individuals and individual families to meet these problems.

The President emphasized in this message that if our Nation is to live up to its own standards of compassion and dignity and achieve the maximum use of its manpower, we must, as a Nation, seek to bestow the full benefits of our society on those who suffer from mental retardation.

Mr. Speaker, though the Congress and the executive branch have done much, in the past decade and a half, to help the mentally retarded, they have remained victims of the ancient but persistent belief that mental retardation is a hopeless, incurable affliction.

As a result of the persistence of this belief and the negative attitudes that accompanied it, this Nation has never launched a full-scale attack on the problems of mental retardation.

Consequently, mental retardation continues as a major national health, social, and economic problem. Over 5 million persons are thus afflicted—twice as many as blindness, polio, cerebral palsy, and rheumatic heart disease combined.

Because, under our present system of care, many of our mentally retarded are not properly trained and educated to achieve their maximum productivity, the losses to our economy are great. In addition, States and localities spend over \$500 million for care and services for the mentally retarded—for the 200,000 who are cared for in residential institutions, most at public expense, and for others of the 400,000 of the mentally retarded who require constant care or supervision.

Yet it may be said that for the 5 million Americans who suffer from some degree of mental retardation, our present system of care could better be called our system of "don't care."

In our public institutions for the mentally retarded, conditions are no better—they are sometimes worse—than they are in our State mental hospitals. But it is among the millions of retarded who remain in our communities that our "don't care" system has been most vicious.

Time and time again our dedicated scientists and professional workers have found these relationships functioning in our society: Where people are impoverished, there is poor health; where there is poor health, mental illness and mental retardation are prevalent. Where families are weak, community ties tenuous, educational and employment opportunities lacking, there you will find the mentally retarded clustered. Among expectant mothers who do not receive prenatal care—a disproportionate num-

ber of whom reside in city tenements and rural slums—premature births occur two or three times as frequently as they do among women who receive adequate prenatal care; further, among premature infants, the incidence of birth defects and mental retardation is high.

In city tenements and rural slums, the intellectual blight that characterizes these neighborhoods is associated with the higher incidence of mental retardation found among schoolchildren coming from these neighborhoods.

Yet in our communities, rich or poor, urban or rural, we have done little to help the mentally retarded. Less than 30,000 mentally retarded individuals were served by our psychiatric outpatient clinics in 1959, and only 20,000 received clinical services in programs supported by the Children's Bureau in 1961.

Out of five mentally retarded school-age children, one is enrolled in special education programs in public schools. We need 75,000 specially prepared teachers to instruct the mentally retarded—we have less than one-third that number now.

These findings—and many others reported by the President's Panel on Mental Retardation—are the facts that undergird current proposals in this field. They indicate that if we are to prevent the occurrence of preventable mental retardation, we must allocate more resources for health, for education, and training.

Furthermore, if we are to bestow the benefits of our society upon those who are already retarded, they must receive special services, in the community, that will actively foster the development of each individual's maximum capacity, and his maintenance in the community at the highest level of social responsibility of which he is capable.

If, as is apparent, providing adequate medical care to expectant mothers and their infants prevents mental retardation, then adequate medical care must be made available to each mother, and to each child.

If the mentally retarded need special educational opportunities, then we must make special efforts to insure that there are enough classroom teachers to instruct each mentally retarded child. For the retarded child does not differ from the normal child in his need to be properly educated for adult responsibilities.

If, as we know, many of the retarded will require special services over a long period of time, and that some of the more severely retarded will require a sheltering environment for an indefinite period of time, then provisions for these must be made in the community.

Mr. Speaker, time does not stand still for the mentally retarded while those who control his destiny quibble about what proportion of his total needs they are going to provide: whether he will get 10 percent of the services he needs, or 25 percent, or 50 percent. The passage of time will make only more desperate the needs of the retarded that are not being met today. For it is now that the infant's mother needs care. It is now that the toddler needs a careful diagnostic workup. It is now that the child

needs special education. And it is now that millions of the retarded need special facilities in their communities, near their own homes.

For a long time, I have known that the needs of the mentally retarded were great and complex. I have consistently brought these needs to the attention of this House. As chairman of the subcommittee of the Committee on Appropriations that annually considers the administration's budget for the Department of Health, Education, and Welfare, I have, year after year, urged that adequate funds be appropriated to mount truly effective programs in this field.

The Appropriations Committee was pleased that the President gave this problem the recognition he did when he appointed the President's Panel on Mental Retardation. While that Panel made an excellent report, there are certain aspects of the problem that could have been given attention if the Panel had had a little more time. The following are a few exciting possibilities for new programs that appear to have been overlooked.

#### PERINATAL RESEARCH

The report of the Panel makes references to some of the early findings of the collaborative perinatal project of this Institute. It points to some of its results as "illustrative of research findings which have led to prevention of a significant number of cases of mental retardation." However, the Panel makes no recommendation for continuation or extension of this important undertaking—an undertaking which has mobilized vast resources in 15 university centers, and has created a national resource with continuing capability for an organized and concerted drive against the causes of retardation, cerebral palsy, and other neurological and sensory disorders. The potential of this resource is largely unexplored, but numerous requests from many agencies indicate that this unique program is in a position to make broad contributions to many facets of the problem of mental retardation.

At the present time, a wealth of research information is already assembled in the collaborative project. The Institute is now exploring with other agencies the most profitable directions for the further extension of this program and should be in a position to present such a broad plan for fiscal year 1965.

#### ROLE OF VIRUSES IN PREGNANCY

The Panel points out that a "number of viruses and other infectious agents have already been identified or are strongly suspected of producing damage to the fetal brain when the mother is infected during pregnancy." No specific recommendation for an attack on this problem is made, however.

Within the institute's collaborative perinatal project, every woman is receiving serological examinations for the detection of viral infection. Preliminary studies show that about 7 percent of these women experience infection by a known virus during pregnancy. Within this program, the virus of German measles—an agent known to produce mental retardation—has been isolated.

The human disease has been produced experimentally for the first time. The effectiveness of a vaccine has been demonstrated, and its usefulness in preventing fetal injury is under investigation in monkeys.

These studies should be extended to other viruses. The place to search for such viruses is in abortions or premature births because those agents which in mild instance cause mental retardation, lead to death and miscarriage of the fetus in severe cases.

The methods for culturing such viruses have now become routine, but they are laborious and time consuming. Such work does not provide challenge for the university-based scientist whose interest lies in the search for new approaches. It would be possible, however, through industrial contracts, to establish a large screening program to search for viruses among a number of specimens. Within such a program it is almost certain that additional viruses responsible for fetal injury would be found.

#### A NATIONAL NEUROSENSORY INSTRUMENTATION CENTER

Because of the complexity of the nervous system, the development of precise instruments is an essential aid to investigation. For example, a statement frequently quoted is that "in 75 percent of instances of mental retardation no structural abnormality of the brain has been demonstrated." A thorough review of the literature suggests one probable explanation for this impression: brains of retarded individuals after death have not been studied with the precise methods required to demonstrate detailed and deep-lying deformities.

The studies of Dr. Windle and his associates in Puerto Rico indicate that asphyxiated newborn monkeys undergo extensive cell loss in the brain. Such loss, however, is demonstrable in later life only as a reduction in the number of cellular elements present. One cannot see what is absent, and without the use of precise cell-counting techniques, up to 25 percent of the neural elements of a nucleus of the brain may be lost without this being evident to the neuropathologist.

Studies in the Institute's Laboratory of Perinatal Physiology also indicate that the effects of such deleterious agents as asphyxia and kernicterus are highly selective, leading to serious impairment of some parts of the brain while sparing others. Exact quantitation of cell loss in various nuclei of the brain is thus essential if we are to understand the structural basis of the varied forms of intellectual impairment in mental retardation. However, the brain comprises several billions of nerve cells. It has been the lifework of a few dedicated scientists to attempt such quantitative studies of even one or two specimens. However, technology has now reached the stage where much of this arduous task could be accomplished automatically by the use of instruments. The development of an automatic cell-counting microscope is now well within the realm of attainment. The specific technological problems which must be over-

come in the production of such an instrument have been defined.

A central planning group, empowered to use grants or contracts to recruit the technical and industrial resources required, is needed to make this possibility a reality. The availability of a cell-counting instrument to scan the brains of mentally retarded individuals dying of intercurrent diseases, and of animals with comparable experimentally induced neurosensory defects, would constitute a major contribution in our efforts to define with accuracy the organic abnormalities responsible for mental retardation.

Particular concern has been expressed regarding the complex problem presented by the blind and the deaf retarded. Especially where multiple handicaps are present, the mobilization of the individual's intellectual resources may be completely blocked by failure of communication. Fundamental investigations, well underway, are exploring the use of patterned sensory stimuli, applied to the skin by electronic devices, as a means of establishing a meaningful communication. In a similar way, Helen Keller learned the meaning of sound through feeling with her fingertips the vibrations of the larynx of her teacher. The time is ripe for an all-out investigation of the various alternative sensory pathways through which visual and auditory information may be made available and meaningful to those whose normal channels are destroyed.

An even greater challenge exists in explorations directed toward the substitution of electronic devices for the eye and the ear—devices which might be keyed into the human nervous system directly in such a fashion as to provide substitute stimuli within the visual and auditory systems. The problems to be overcome are awesome but not insurmountable.

In vision, for example, one first must have precise knowledge of the coding process of the eye whereby the light impulse falling on the retina—composed of some 100 million computer cells—is converted into patterns of nerve impulses. When this knowledge is available, it will be necessary to develop computers and other instruments capable of interpreting the impulses. Finally, means must be found to key the coded messages into the nervous system in a way which will not destroy the delicate nerve fibers to be stimulated.

A committee of competent scientists is actively engaged in the consideration of this entire problem of substitutions for vision. The financial and logistical resources required to transform into reality the ideas of this committee, and of other related groups, should be established within a national neurosensory service center.

#### A COOPERATIVE HEAD INJURY STUDY

The most common single cause of hospitalization of children is accident and injury. Of a group of injured hospitalized children, 30 percent were found to be suffering from injuries of the head and brain. Head injury is not ordinarily thought of as a cause of mental retardation. However, in approximately 10 percent of institutionalized retarded, a



postnatal condition is held responsible for the retardation. Among these, a significant number result from head injury. Automobile accidents account for a large portion of such accidents, but sports, various play activities, and home accidents are also causes. As pointed out by the President's Panel, the obvious solution is prevention. However, as is the case with asphyxia, many of the serious permanent residuals of head injury appear to develop after the event during a postconcussion reactive phase. Therefore, effective management of this delayed reaction could materially reduce the severity of the permanent neurological damage in many instances of head injury.

A cooperative head injury program should investigate many problems: the logistical problems of providing prompt, definitive surgical management of accident victims from cities and highways; the fundamental characteristics of the reaction of the brain to injury; the classification and evaluation of the injured; and the evaluation of the therapeutic measures now being carried out on a largely empirical basis.

#### CENTERS TO STUDY DISEASES OF THE NERVOUS SYSTEM IN INFANCY AND CHILDHOOD

The problem of mental retardation is one of broad scope to which a diversity of skills and talents must be addressed. The Chairman of the President's Panel has made it clear that it has been the intent of that Panel to mobilize, for the attack on this problem, individuals having the widest possible variety of skills. Important among these is the scientist whose life is devoted to the study of the brain. The mobilization of the field of neurology to attack this vast problem requires a clear definition of the role and responsibility of clinical neurologists, neuropathologists, neurophysiologists, neurochemists, and neuroanatomists. The importance of this aspect of the problem of retardation requires that it receive specific focus. The development of centers specifically to study diseases of the nervous system in infancy and childhood, is essential if such people are to be drawn into active participation in research in this field.

It is believed that the above-mentioned special activities are in line with the thinking and objectives of the President's Panel and could appropriately have been included within their report.

This year we face an unprecedented opportunity. First, as a result of the work of the President's Panel on Mental Retardation, the facts regarding mental retardation have been clarified as never before. Second, the President of the United States, in a historic message to Congress, has used the weight of his great Office to lead the Nation into better ways of dealing with the medical, social, and economic burdens caused by mental retardation. Third, the people have indicated by their response to the President's message, that it is their will, as well as their desire, that the mentally retarded be given appropriate care, treatment, and education in their home communities.

I therefore urge that this great legislative body act on the opportunities currently available to us, and enact an effective mental retardation program.

I am submitting for the RECORD a summary of the three bills I now introduce:

#### SUMMARY OF MATERNAL AND CHILD HEALTH AND MENTAL RETARDATION PLANNING AMENDMENTS OF 1963

Increase in maternal and child health and crippled children's services: Sections 2 and 3 of this bill would increase the authorizations for existing programs for maternal and child health and crippled children's services under title V of the Social Security Act from the present \$25 million each, by steps of \$5 million, to \$50 million each by the fiscal year 1970. For each program the present matching requirements and basis for apportioning funds would be continued.

Special project grants for maternity and infant care: Section 4 of the bill would establish as a part of title V of the Social Security Act, a 5-year program of project grants to assist in meeting the costs of maternity and infant care for high risk groups. The appropriations authorized would be \$5 million for fiscal year 1964, \$15 million for fiscal year 1965 and \$30 million for the next 3 fiscal years. Grants would be available to State health agencies or, with their consent, to local health agencies, to pay up to 75 percent of the cost of projects for the provision of all necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants) and who are from low-income families or are otherwise unlikely to receive all necessary health care.

Research projects relating to maternal and child health and crippled children's services: Section 4 would also authorize under a new part 4 of title V of the Social Security Act, appropriations for grants or jointly financed cooperative arrangements or contracts for research projects relating to services for maternal and child health and crippled children which show promise of making a substantial contribution to the advancement of knowledge relating to maternal and child health and crippled children's services. With respect to this provision, the Congress would be authorized to appropriate such sums as it may determine to be necessary beginning with the fiscal year 1964.

Grants for planning comprehensive action to combat mental retardation: Section 5 of the bill would add a new title, title XVII, to the Social Security Act to authorize the appropriation of \$2.2 million for project grants to be used by the States to: (1) determine the action necessary to combat mental retardation and the resources available for this purpose; (2) develop public awareness of the problem of mental retardation; (3) coordinate State and local activities relative to the various aspects of mental retardation; and (4) to plan other activities leading to comprehensive State and community action to combat mental retardation.

#### SUMMARY OF MENTAL RETARDATION CONSTRUCTION FACILITIES ACT OF 1963

Grants for construction of centers for research on mental retardation and related aspects of human development: Title I of this bill authorizes a 5-year program of Federal grants to assist in the construction of centers for research on mental retardation and related aspects of human development; this program would be contained in a new part B to be added to the health research

facilities title (title VII) of the Public Health Services Act. The total appropriation for the period July 1, 1963, to June 30, 1968, is \$30 million.

In acting on applications for grants, the Surgeon General would be required to take into consideration relative effectiveness of the proposed facility in expanding the Nation's capacity for research and related purposes in the field of mental retardation and related aspects of human development.

The Federal share of the project could be up to 75 percent of necessary costs of construction.

Grants for construction of facilities for the mentally retarded: Title II of the bill authorizes the Secretary of Health, Education, and Welfare to make grants to States for the construction of facilities especially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists, and including sheltered workshops for the mentally retarded, if such workshops are part of facilities which provide comprehensive services for the mentally retarded.

Appropriations of such sums as Congress may determine would be authorized during the period July 1, 1964, through June 30, 1969. The funds appropriated would be allotted among the States on the basis of population, extent of need for facilities for the mentally retarded, and the financial need of the States, with a minimum of \$100,000 for any State. States would be given the alternative of varying the Federal share of the cost of construction of projects, on the basis of standards set by the State, between 45 percent and 75 percent or of choosing a uniform Federal share—which would not be less than 45 percent and could go as high as 75 percent for some States—for all projects in the State.

Applications would be submitted to the Secretary after approval by the State agency designated by the State to administer the State plan.

A State advisory council, composed of representatives of State agencies concerned with planning, operation, or utilization of facilities for the mentally retarded and of non-Government organizations or groups concerned with education, employment, rehabilitation, welfare, and health, as well as representatives of consumers of the services involved, would consult with the State agency in carrying out the State plan. The plan would have to set forth a construction program based on a survey of need for facilities and provide for construction in accordance with relative need for facilities insofar as permitted by available financial resources. The plan would also have to meet several other requirements set forth in the bill, including provision for methods of administration necessary for proper and efficient operation of the plan, hearings for unsuccessful applicants, and standards of maintenance and operation of facilities constructed.

Priority of projects to be approved under the State plan would be based on relative need of the different areas in the State, with special consideration for those facilities which will provide comprehensive services for a particular community or communities.

Project grants for the construction of university-affiliated facilities for the mentally retarded: Title III of the bill authorizes appropriation of such sums as Congress may determine for a 5-year period beginning July 1, 1964, for the purpose of assisting in the construction of clinical facilities providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded and facilities which will aid in demonstrating provision of specialized services for the diagnosis and treatment, education, training, or care of the mentally

retarded or in the clinical training of physicians and other specialized personnel needed for research, diagnosis and treatment, education, training, or care of the mentally retarded.

The sums so appropriated would be used for project grants for construction of public and other nonprofit facilities for the mentally retarded which are associated with a college or university.

In the development of this aspect of the program for the mentally retarded, special provision will be made for the construction of the service facilities described in this title in association with the grant program covered in title I, which provides for the construction of research centers. The association of research centers with the full range of inpatient and outpatient services would provide for the maximum exchange amongst the research, training, and service functions of these centers. In this manner the very best standards of care can be achieved. Research will proceed in the context of the teaching and care problems and the quality of training will be of the highest.

The maximum Federal share of the cost of construction of these facilities would be 75 percent.

#### SUMMARY OF MENTAL RETARDATION EDUCATION RESEARCH ACT OF 1963

The bill would amend the act of September 6, 1958 (Public Law 85-926), which authorizes grants to institutions of higher learning for training personnel who can, in turn, train teachers of mentally retarded children, and grants to State educational agencies to assist them in providing training of teachers of mentally retarded children and supervisors of such teachers.

The grants to the institutions would be expanded to include grants for training teachers of mentally retarded children and supervisors of such teachers, and for training other specialists and research personnel for work in this area.

The present limitation of \$1 million per year for payments under the law would be replaced by an authorization of appropriations of \$5 million for fiscal 1964 and such sums as Congress may determine for the next 4 fiscal years.

This bill also authorizes \$1 million annually for fiscal 1964 and the next 4 years for grants to States, State or local educational agencies, institutions of higher learning, and other public or nonprofit private educational or research organizations for research and demonstration projects relating to education of mentally retarded children. Grants under this authority would be made after securing the advice of panels of experts.

#### AMENDMENT TO SECTION 366 OF THE IRC

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, in the decisions of the U.S. Supreme Court in *Groman v. Commissioner* (302 U.S. 82 (1937)) and *Helvering v. Bashford* (302 U.S. 454 (1937)), and in a number of subsequent decisions in lower courts, it was held that the reorganization provisions of the Revenue Act of 1928 and their successor provisions in subsequent revenue acts did not apply where a corporation acquired the assets or stock of

another corporation, and, pursuant to the plan, transferred such assets or stock to a wholly owned subsidiary. Also, the reorganization provisions were held inapplicable where the stock or assets were acquired directly by a subsidiary, and stock of its parent corporation was issued in exchange therefor.

In enacting the 1954 code, the Congress sought to overturn the results of those decisions. However, this was actually accomplished only with respect to statutory mergers and consolidations under section 368(a)(1)(A) and stock for asset acquisitions under section 368(a)(1)(C). The Congress failed to give consideration to the need for also extending the rule to cover stock-for-stock acquisitions under section 368(a)(1)(B), which were also affected by the *Groman* and *Bashford* cases. The proposed amendment to code section 368 would correct this oversight. This would be accomplished by amending the definition of a so-called "B" reorganization to permit the use of a parent corporation's stock in making the acquisition of the stock of the other corporation; by amending section 368(a)(2)(C) to permit the parent corporation to transfer acquired stock to its subsidiary without destroying the reorganization; and by amending the definition of a party to a reorganization to make clear that the shareholders and corporations making the exchange will qualify for tax-free treatment under sections 354(a) and 361(a), respectively. The substance of these proposed amendments was included among the recommendations of the subchapter C advisory group submitted to the Ways and Means Committee in December 1958.

As contemplated, the proposed amendment also would permit the corporation acquiring the assets of another corporation in exchange for the stock of a corporation in control of the acquiring corporation to transfer such acquired assets to a corporation controlled by such acquiring corporation without disqualifying the transaction as a reorganization under section 368(a)(1)(C). This result, however, would be obtained only where both the acquiring corporation and its controlled subsidiary, to which are transferred the acquired assets, are members of the affiliated group and file a consolidated tax return for the taxable year in which the acquisition occurs. Thus, where corporation B acquired the assets of corporation X in exchange for the stock of corporation A, which is in control of corporation B, corporation B could transfer the acquired assets to its controlled subsidiary, corporation C, without disqualifying the transaction as a reorganization under paragraph (1)(C), provided corporations B and C are members of the same affiliated group and file a consolidated return for the taxable year in which the acquisition and transfer occur.

The amendment would be made effective for taxable years beginning after December 31, 1963, in order to avoid problems of administration that might otherwise be incurred.

The proposed amendment to code section 368 would ease the unduly restrictive distinctions under existing law which defeat acquisitions of the type described above. Such acquisitions encourage business diversification and expansion, stimulating greater economic activity which is presently needed and being sought by the President. The proposed amendments should not cause any loss of Government revenues and most likely would result in increased revenues since economic activity would be stimulated, resulting in greater profits and the payment of more income tax.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ROYBAL.

Mr. MOOREHEAD.

Mr. BURKE.

Mr. O'NEILL.

Mr. YOUNGER and to include extraneous matter.

Mr. LLOYD.

Mr. McCORMACK (at the request of Mr. MADDEN) on the subject "Inquest of Freedom: The Enslaved Peoples of the Baltic States."

Mr. PELLY and to include extraneous matter.

Mr. HALPERN.

Mr. LIPSCOMB and to include extraneous matter.

Mr. MURPHY of Illinois.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1286. An act for the relief of Lt. Claude V. Wells;

H.R. 1561. An act for the relief of Mel-born Keat;

H.R. 2439. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use in the 1964 National Jamboree, and for other purposes;

H.R. 3626. An act for the relief of Ronnie E. Hunter; and

H.R. 4349. An act for the relief of Robert O. Nelson and Harold E. Johnson.

#### ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, June 17, 1963, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

930. A letter from the Secretary of the Army, transmitting a letter from the Chief



of Engineers, Department of the Army, dated May 15, 1963, submitting a report, together with accompanying papers and an illustration, on a letter report on Sturgeon Creek, Middlesex County, Va., authorized by the River and Harbor Act, approved July 14, 1960; to the Committee on Public Works.

931. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 1, 1963, submitting a report, together with accompanying papers and an illustration, on a letter report on Back Bay of Biloxi and Bayou Bernard, Miss., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 21, 1953; to the Committee on Public Works.

932. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend section 131 of title 23, United States Code, relating to the control of outdoor advertising along the National System of Interstate and Defense Highways"; to the Committee on Public Works.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. H.R. 2838. A bill to amend section 753(f) of title 28, United States Code, relating to transcripts furnished by court reporters for the district courts; without amendment (Rept. No. 384). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. H.R. 2985. A bill to amend section 1391 of title 28 of the United States Code, relating to venue generally; without amendment (Rept. No. 385). Referred to the House Calendar.

Mr. PATMAN: Committee on Banking and Currency. House Joint Resolution 467. Joint resolution amending section 221 of the National Housing Act to extend for 2 years the broadened eligibility presently provided for mortgage insurance thereunder; without amendment (Rept. No. 386). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 5795. A bill to repeal the provisions of law relating to the fixing by the Postmaster General, with the consent of the Interstate Commerce Commission, of rates of postage on fourth-class mail, and for other purposes; with amendment (Rept. No. 387). Referred to the Committee of the Whole House on the State of the Union.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON:  
H.R. 7027. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

By Mr. BONNER (by request):  
H.R. 7028. A bill to amend section 21 of the Merchant Marine Act, 1920, as amended (46 U.S.C., sec. 887), and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CASEY:  
H.R. 7029. A bill to provide for a comprehensive, long-range, and coordinated national program in oceanography, and for

other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 7030. A bill to amend the Internal Revenue Code of 1954 to provide that where a substantial part of an estate consists of a contract right to receive annual payments over a period of years, the Federal estate tax attributable to such contract may be paid in annual installments over such period; to the Committee on Ways and Means.

By Mr. CELLER:  
H.R. 7031. A bill to improve judicial procedures for serving documents, obtaining evidence, and proving documents in litigation with international aspects; to the Committee on the Judiciary.

By Mr. FOGARTY:  
H.R. 7032. A bill to amend the Social Security Act to assist States and communities in preventing and combating mental retardation through expansion and improvement of the maternal and child health and crippled children's programs, through provision of prenatal, maternity, and infant care for individuals with conditions associated with childbearing which may lead to mental retardation, and through planning for comprehensive action to combat mental retardation, and for other purposes; to the Committee on Ways and Means.

H.R. 7033. A bill to assist in combating mental retardation through grants for construction of research centers, grants to States for construction of facilities for the mentally retarded, and grants for construction of university-affiliated facilities for the mentally retarded; to the Committee on Interstate and Foreign Commerce.

H.R. 7034. A bill to assist in providing training of teachers of mentally retarded children, to authorize grants for research relating to education of such children, and for other purposes; to the Committee on Education and Labor.

By Mr. HAGEN of California:  
H.R. 7035. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

By Mr. KEITH:  
H.R. 7036. A bill to provide for a comprehensive, long-range, and coordinated national program in oceanography, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KEOGH:  
H.R. 7037. A bill to amend section 368 (relating to corporate reorganization definitions) of the Internal Revenue Code of 1954 to provide for the use of the stock of a corporation in control of the acquiring corporation in a section 368(a)(1)(B) reorganization and to allow the acquiring corporation acquiring assets in a section 368(a)(1)(C) reorganization solely for voting stock of a corporation in control of the acquiring corporation to transfer such assets to a corporation controlled by the acquiring corporation; to the Committee on Ways and Means.

By Mr. PRICE:  
H.R. 7038. A bill to amend the Internal Revenue Code of 1954 with respect to the period during which an individual citizen of the United States must be present in a foreign country or countries in order to exclude his earned income for such period from gross income; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:  
H.R. 7039. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze with only four quarters of coverage; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:  
H.R. 7040. A bill to provide for a comprehensive, long-range, and coordinated national program in oceanography, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROSENTHAL:  
H.R. 7041. A bill to provide under the social security program for payment for hospital and related services to aged beneficiaries; to the Committee on Ways and Means.

By Mr. RYAN of New York:  
H.R. 7042. A bill to amend section 203 of the Social Security Act to provide that the amount of an individual's medical, dental, and related expenses shall be subtracted from his outside earnings before determining under such section the amount of any reduction in his benefits by reason of such earnings; to the Committee on Ways and Means.

By Mr. SECREST:  
H.R. 7043. A bill to amend the act of March 2, 1931, to provide that certain proceedings of the Veterans of World War I of the United States, Inc., shall be printed as a House document, and for other purposes; to the Committee on House Administration.

By Mr. SELDEN:  
H.R. 7044. A bill to amend Public Law 193, 83d Congress, relating to the Corregidor-Bataan Memorial Commission; to the Committee on Foreign Affairs.

By Mr. STEED:  
H.R. 7045. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 so as to provide that certain surplus property of the United States shall be offered for sale to the States; to the Committee on Government Operations.

By Mr. STUBBLEFIELD:  
H.R. 7046. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

By Mr. TUPPER:  
H.R. 7047. A bill to provide for a comprehensive, long-range, and coordinated national program in oceanography, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FRELINGHUYSEN:  
H.R. 7048. A bill to authorize assistance to the States for surveying the needs of elementary and secondary education, and for other purposes; to the Committee on Education and Labor.

By Mr. GOODELL:  
H.R. 7049. A bill to authorize assistance to the States for surveying the needs of elementary and secondary education, and for other purposes; to the Committee on Education and Labor.

By Mr. ELLSWORTH:  
H.R. 7050. A bill to amend section 301 of the Foreign Assistance Act of 1961 to limit contributions and other payments by the United States to programs and activities of the United Nations to 33.33 percent of the cost thereof; to the Committee on Foreign Affairs.

By Mr. ASHLEY:  
H.R. 7051. A bill to amend title II of the Social Security Act to permit both men and women to retire thereunder with full benefits at age 62; to the Committee on Ways and Means.

By Mr. GALLAGHER:  
H.R. 7052. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. McMILLAN:  
H.R. 7053. A bill to place the position of Superintendent of Insurance of the District of Columbia in an appropriate grade in the General Schedule of the Classification Act of 1949, as amended; to the Committee on Post Office and Civil Service.

By Mrs. MAY:  
H.R. 7054. A bill to amend section 104 of Public Law 480, 83d Congress, as amended; to the Committee on Agriculture.

By Mr. PUCINSKI:  
H.R. 7055. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

H.R. 7056. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain additional losses; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Nebraska:

H.J. Res. 475. Joint resolution to authorize the President to proclaim December 7, 1966, as Pearl Harbor Day in commemoration of the 25th anniversary of the attack on Pearl Harbor; to the Committee on the Judiciary.

By Mr. NYGAARD:

H.J. Res. 476. Joint resolution to authorize the President to proclaim October 9 in each year as Leif Erikson Day; to the Committee on the Judiciary.

By Mr. HORAN:

H.J. Res. 477. Joint resolution relating to Father's Day; to the Committee on the Judiciary.

By Mr. MacGREGOR:

H.J. Res. 478. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H. Con. Res. 178. Expressing the sense of the Congress with respect to discrimination against U.S. citizens by foreign nations; to the Committee on Foreign Affairs.

By Mr. FALLON:

H. Con. Res. 179. Concurrent resolution extending the appreciation of Congress to the American Association of State Highway Officials for its service to this Nation; to the Committee on Public Works.

## MEMORIALS

Under clause 4 of rule XXII,

Mr. FASCELL presented a memorial of the Legislature of the State of Florida to the Congress of the United States to authorize the construction of a highway from the Florida Keys through the Everglades National Park to the west coast of Florida, which was referred to the Committee on Public Works.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL:

H.R. 7057. A bill for the relief of Eduardo J. Whitehouse; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 7058. A bill for the relief of Alisa Weiner; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 7059. A bill for the relief of Vassiliki Tsitsou; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 7060. A bill for the relief of Dr. Isabelo Remedio Lim; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 7061. A bill for the relief of Joanna Stavropoulos; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 7062. A bill for the relief of Murray Moritz Jacobson; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

158. The SPEAKER presented a petition of Mr. Anthony Maurovich and others, San Francisco, Calif., requesting preservation of the Monroe Doctrine; to the Committee on Foreign Affairs.

## EXTENSIONS OF REMARKS

### Mass Deportations From the Baltic States

#### EXTENSION OF REMARKS

OF

#### HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1963

Mr. HALPERN. Mr. Speaker, I would like to join the Baltic States Freedom Committee in commemorating the 22d anniversary of criminal deportations from Lithuania, Latvia, and Estonia, which were conducted by the Soviet Union. The martyrdom of thousands of citizens of the Baltic States in 1941 remains on the consciences of all who believe in the ideals of freedom and independence. The anniversary of this event should be noted by every American who believes in the ultimate victory of the free world.

The Soviet Union has imposed the harsh rule of an alien dictatorship on the Baltic peoples since June 1940, when Lithuania, Estonia, and Latvia were forcibly and cruelly incorporated into the Soviet Union. The peoples of the Baltic States have resisted the efforts of the Soviet Union to impose a foreign way of life and prevent the continued practice of traditional Baltic customs. Those who resisted these efforts were subjected to exile, deportation, imprisonment, and even execution. When they found difficulty in imposing dictatorial rule on these ancient peoples, the Soviets made plans to transplant all the people of the Baltic States to Russia.

The fact that these plans were not carried out is surely due in part to the resistance of the Baltic peoples. The Russian answer to Baltic opposition was deportation. The outrages which I would like to commemorate today reached their peaks on June 14, 15, 16,

and 17, 1941. During these few days thousands of Lithuanians, Latvians, and Estonians were expelled from their homelands under the most primitive conditions.

As we join in commemorating the mass deportations from the Baltic States in June 1941, we reaffirm our dedication to the cause of freedom for the Baltic peoples.

#### Latvia, Lithuania, Estonia: Their Freedom Must Be Returned

#### EXTENSION OF REMARKS

OF

#### HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 1963

Mr. O'NEILL. Mr. Speaker, 22 years ago the troops of Red Russia marched into three independent and self-governing nations with but one intent, to occupy and control. This invasion was made in spite of the fact that each country had a treaty of friendship and nonintervention with the Russian Government.

The rest of Europe, already embroiled with Hitler's grasping for political hegemony for Germany over the entire area could do little as those three brave nations went under—when their freedom was destroyed. Latvia, Lithuania, Estonia, small nations along the Baltic Sea were absorbed by force into the Soviet Union.

Born out of the hopes and dreams at the end of the First World War, all three had obtained independence as a result of the Allied victory, and for 20 years enjoyed the fruits of this independence within the world community of nations. Twenty years is short in the average life-

time of any nation, yet it is a sad fact of recent years, though that such a life expectancy seems about average for those nations and peoples bordering the Soviet Union.

Stalin's Russia—nor for that matter Khrushchev's either—could not allow a nation representing a political doctrine of liberty and freedom for its citizenry to taint its border areas. Such a "revolutionary" philosophy spreads quickly, especially amongst people who know nothing but the extreme opposite. So, crying subversion against his state, the Communist master of the Kremlin gave the order to move forward. His troops marched in, and that was the end of freedom.

It took more than military control to defeat these people—their countries may have been small in size, but their peoples were not small in bravery or spirit. The Russians intended to establish puppet governments, but in order to do so all possible opposition had to be done away with. This really presented no problem, as the wasteland of Siberia had long been a Russian dumping ground for political elements not taking kindly to Moscow domination. This was again the policy followed. In the week subsequent to June 13, 1941, alone, some 60,000 men, women, and children were deported to Siberia and, for most, almost certain death.

This number represented but one period in the deportation schedules that were interrupted only by the arrival of another invader—Nazi Germany.

Yet not even the victory of the democracies after the Second World War could bring succor to the citizens of these countries. For included amongst the victors was imperialistic Russia, still determined upon her policies of domination and conquest. The Baltic States slipped easily back under Communist control, and